



# भारत का राजपत्र The Gazette of India

असाधारण

EXTRAORDINARY

भाग I—खण्ड 1

PART I—Section I

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके

Separate paging is given to this Part in order that it may be filed  
as a separate compilation

MINISTRY OF COMMERCE

PUBLIC NOTICE

IMPORT TRADE CONTROL

*New Delhi, the 15th July 1965*

SUBJECT.—*Amendments to the Import Trade Control Hand Book of Rules and Procedure, 1964.*

**No. 47-ITC(PN)/65.**—The amendments to the Import Trade Control Hand Book of Rules & Procedure, 1964 are contained in this Public Notice. The instructions contained in this Public Notice will be applied subject to the provisions contained in Section I of the Import Trade Control Policy Book for the year April, 1965—March, 1966.

## AMENDMENTS TO CHAPTER I ON "INTRODUCTION"

1. In para 5, in the opening sentence, figure "12" in the third line may be amended to read as "15".

2. In para 5, the telegraphic address only (and not the name of places) of the regional licensing authorities from Sr. No. (i) to (x) may be substituted by "CONIMPEXTRA".

3. In para 5(ii), the postal address of the Jt. Chief Controller of Imports and Exports, Bombay may be substituted by "Central Government Offices, New Building, S. E. Wing, New Marine Lines, Church Gate, Bombay".

4. In para 5(iii), the postal address of the Import Trade Controller, Rajkot may be inserted as "Desai Building, Bhupendra Road, Near Town Hall, Rajkot".

5. In para 5 (iv), the jurisdiction of the Jt. Chief Controller of Imports and Exports, Madras may be amended to read as "the whole of Madras and Andhra Pradesh States except areas which are under the jurisdiction of Controller of Imports & Exports, Vishakhapatnam".

6. In para 5 (v), the licensing jurisdiction of Dy. Chief Controller of Imports & Exports, Ernakulam may be inserted as "Whole of Kerala State and Laccadive, Minicoy & Amindivi Islands".

7. In para 5 (vi), the postal address of Controller of Imports and Exports, Pondicherry may be inserted as "P.B. No. 14, Pondicherry".

8. In para 5 (vii), the postal address of Controller of Imports and Exports, Vishakhapatnam may be inserted as "7-Port Land Park, Vishakhapatnam".

9. In para 5 (viii), the postal address of Controller of Imports and Exports, Bangalore may be substituted by "Syndicate Building, P.B. No. 141, Gandhi Nagar, Bangalore-9", and his jurisdiction may be amended to read as "the whole of Mysore State".

10. In para 5 (ix), the jurisdiction of the Jt. Chief Controller of Imports and Exports (Central Licensing Area), New Delhi may be amended to read as "the whole of Rajasthan, Punjab, Delhi and Himachal Pradesh".

11. In para 5 (x), the postal address of the Assistant Controller of Imports and Exports, New Kandla may be inserted as "Custom House, New Kandla", and his jurisdiction may be amended to read as "those Districts of Old Bombay State which were formerly known as 'Kutch' and now included in Gujrat State (including New Kandla Free Trade Zone)".

12. In para 5 (xi), the postal address of the Assistant Controller of Imports & Exports, Shillong may be inserted as "Morele Building, Shillong" and his telegraphic address may be shown as "CONIMPEXTRA, Shillong".

13. In para 5 (xii), the postal address of the Jt. Chief Controller of Imports and Exports, Goa may be inserted as "Ashirvad Building, Panjim (Goa)" and his jurisdiction may be amended to read as "Former Portuguese possessions in India, namely—Goa, Daman & Diu and Dadra and Nagar Haveli". His telegraphic address may be shown as "CONIMPEXTRA, Panjim".

14. In para 5, the following may be added at the end:—

"(xiii) the Dy. Chief Controller of Imports & Exports, Kanpur, with jurisdiction over the whole of Uttar Pradesh.

(xiv) The Controller of Imports & Exports, Old Court Road, Amritsar, with jurisdiction for issue of licences to parties who have opted to obtain their licences from him for import from Afghanistan—CONIMPEXTRA, Amritsar".

(xv) The Controller of Imports & Exports, Srinagar, with jurisdiction over the State of Jammu & Kashmir.

## AMENDMENTS TO CHAPTER II ON "GENERAL LICENSING PROCEDURE"

1. In paragraph 3, sub-para (2), the words "Machine tools" may be substituted by "establishment of quotas or revision of quotas by established importers".

2. In paragraph 8, sub-para (3), the following may be added at the end:—

"The application forms prescribed for actual users in the non-schedule sector including small scale industries may also be available from the State Directors of Industries".

3. In paragraph 10, the following sub-para may be inserted after sub-para (3):—

"(4) No application fee will be charged in cases where the import of any item has been canalised through a recognised agency and the actual users or others obtain allotments of such goods directly from such agency without making an application for licence to the licensing authority concerned".

4. In paragraph 11, sub-para (5), the first sentence may be amended to read as under:—

"In a case where the applicant has lost the original treasury/bank receipt or chalan, the licensing authority may accept a certificate from the Treasury Office/Bank/Accountant General Commerce, Works and Miscellaneous, New Delhi, in support of the amount having been deposited".

5. In paragraph 12, sub-para (4), in the second line, the words and figures "30 days" may be substituted by the word "specified".

6. In paragraph 20, sub-para (3) may be amended to read as under:—

"(3) The actual users should submit their applications for import licences to the licensing authorities as indicated, for each category of actual users, in Chapter IV of this book, through the sponsoring authority concerned. Where an Actual user has got factories and organisations at different places in different parts of the country falling under the jurisdiction of the different licensing authorities, he should submit separate applications for each unit to the licensing authority concerned through the sponsoring authority.

However, in the case of scheduled units borne on the registers of D.G.T.D., the Actual Users having factories or organisations at different places, the Head Office of the firm may submit a consolidated application covering the requirements in respect of raw materials, components

and spare parts of all the factories and organisations to the CCI&E through the DGTD. The requirements of each factory or unit may be separately enumerated in a list to be appended to such application. On such consolidated application the licensing authority will issue separate licences in respect of each factory/unit in terms of the policy in force, if admissible".

7. Paragraph 22 may be amended to read as under:—

"22. *Licensing authority for machine tools.*—Machine tools falling under Part VI of the I.T.C. Schedule will also be licensed by the Import & Export Trade Control authorities as indicated in the relevant Import Trade Control Policy Book and Chapters IV and V of this Book".

8. In paragraph 25, sub-para (1), the second sentence may be amended to read as under:—

"Applicants are advised, in their own interest, to submit applications well in advance of the last date so as to reach the licensing authority or the sponsoring authority concerned, as the case may be, before the last date as an application received after the prescribed last date is liable to be summarily rejected".

9. In paragraph 26, sub-clause (xiii) may be amended to read as under:—

'(xiii) The application should be sent by post to the appropriate licensing authority or sponsoring authority concerned, as the case may be, or delivered at the counter in the office of the licensing authority or the sponsoring authority, as the case may be, before the last prescribed date".

10. In paragraph 26, the following may be added after sub-clause (xiii) as amended:—

"(xiv) The actual users borne on the registers of the Director General Technical Development should also quote in their applications the code number allotted to them by the Directorate General of Technical Development.

(xv) The actual user should submit a consolidated application covering the requirements of the unit in respect of raw materials, components and spare parts, including spare parts of machine tools, as provided in Chapter IV of this Book.

(xvi) All actual users should submit their applications through the sponsoring authority concerned".

### AMENDMENTS TO CHAPTER III ON "ESTABLISHED IMPORTERS"

1. Paragraph 28, sub-clause (2) may be amended to read as under:—

"(2) The basic period has been extended in the case of a large number of items. The list of such items will be found in the relevant Import Trade Control Policy Book".

2. Paragraph 33, sub-clause (e) may be amended to read as under:—

"(e) Imports made under licences granted against the orders of the late D.G. (I&S) (now D.G. S&D) or of the State Railways or licences granted against specific orders from actual users".

3. Paragraph 33, sub-clause (g) may be amended to read as under:—

"(g) Imports made under ad-hoc licences (other than those ad-hoc licences which were issued for imports of goods for stock and sale purposes only) or licences granted subject to the express condition that imports thereunder will not be taken into account in calculating quotas whether the licences are marked N.Q.Q. or not".

4. Paragraph 37(3) may be amended to read as under:—

"(3) Notwithstanding anything contained in sub-para (2) above, no belated application for establishment/refixation of quota will be entertained in respect of any Serial No. or Sub-Serial No. where the delay in making the application exceeds five years. However, the delay may be condoned in cases where the licensing authority is satisfied that it was due to circumstances beyond the control of the applicant".

5. Paragraph 44, sub-clause (4) may be amended to read as under:—

"(4) Applications received after the prescribed date are liable to be summarily rejected. Applicants are, therefore, advised in their own interest to submit applications complete in all respects much in advance of the prescribed last date. The licensing authority may, however, entertain an application from an established importer for quota/additional licence which is received complete in all respects or is completed by supplying the deficiencies within 30 days from the prescribed last date for receipt of such application or where the deficiencies are completed within a period of 30 days from the date on which the applicant is informed of the deficiencies by the licensing authority.

But in such cases, the value of the quota/additional licence if otherwise due, will be reduced by 25 per cent. This cut will also be applicable to minimum value quota/additional licences.

NOTE:—The absence of a treasury challan or a quota certificate or any other important document required to be furnished by the applicant along with his application for licence will be considered as a deficiency for purpose of the provisions of this paragraph.

6. In paragraph 45, sub-para (2) may be amended to read as under:—

“(2) As the distinction between Dollar and Soft Currency areas has since been removed, only one application for quota licence on ‘General Area’ should be made on the basis of imports in any one financial year as stated above, in respect of articles falling under one serial number or sub-serial number of the I.T.C. Schedule. But in the case of serial numbers or sub-serial numbers for which separate quota licences could be issued during October 1960/March 1961 period on former General Area and former Soft Currency Area respectively, the parties holding two quota certificates in respect of past imports from Dollar and Soft Currency Areas falling in different basic years, will be eligible to receive quota licence on the combined value of the two quota certificates. In order to help the quota holders of small values, it has been decided that in respect of items for which two separate quota licences were issued on the former General and the former Soft Currency Areas respectively in the period October 1960–March 1961, the minimum value of quota licence on General Area for the annual entitlement would be for double the amount admissible in terms of the provisions made in paragraph 46 below. This concession of grant of quota licences for double the amount of the minimum value will not be applicable to additional licences granted to established importers.

7. In paragraph 45, sub-para (3), the following may be added at the end of sub-clause (ii):—

“It may be clarified that the concession of granting quota licences on the combined value of two quota certificates issued prior to April–September 1961 period, will not be available when the quota has to be refixed consequent upon change in the classification of goods, introduction of a new Serial No./Sub-Serial No. or split up of the existing Serial No./Sub-Serial No. into two or more Serial Nos./Sub-Sr. Nos. The fresh quota certificate issued will be in respect of past imports of the goods admissible for quota fixation under the particular Serial No. or Sub-Serial No. in a common completed financial year selected by the importer within the prescribed period”.

8. In paragraph 45, sub-clause 3(iii) may be amended to read as under:—

“(iii) the established importers should give declaration in the following form along with their applications:—

“We possess/do not possess two quota certificates for Serial No./Sub-Serial No. (to be specified) and declare that we have submitted no other application for obtaining quota licence”.

9. In paragraph 45, the following may be added at the end:—

“As a measure of relief to importers from Pakistan, separate licences will be issued based on the quota certificates pertaining to the past imports from Pakistan. The value of such separate licences will be calculated on the same quota percentage as is applicable in respect or the item concerned for import from General Area as a whole in terms of the policy given in the relevant Import Trade Control Policy Book in the same manner as indicated in this sub-para. The separate licences so issued will be valid for import from General Area”.

10. Paragraph 46 may be amended to read as under:—

“46. *Minimum value of licences.*—(1) In cases where the past imports on which quota is claimed exceed the limits mentioned in para (39) above, the minimum value quota/additional licences for the annual entitlement wherever admissible, will be granted as follows unless it is otherwise provided elsewhere:—

<i>Quota percentage for items given in column 4, Section II of the relevant Import Trade Control Policy Book.</i>	<i>Minimum value of quota/additional licences</i>
20% or less	Rs. 250/-
Over 20% and upto and including 40%	Rs. 375/-
Over 40%	Rs. 500/-

11. Paragraph 48 may be amended to read as under:—

“48. *Issue of import licences to established importers against applications for back periods.*—Although every possible effort will be made by the licensing authorities to dispose of all the applications for import licences submitted in a particular licensing period within the currency of that period, there may be cases where the final disposal of the application is delayed for the following reasons:—

- (i) Laches on the part of the applicant by making incomplete applications or by late submission of required documents/information.
- (ii) Delay in the processing/consideration of the case due to unforeseen circumstances beyond the control of the

Import Trade Control Authorities or other Government Departments.

In the type of cases covered by category (i) above, no import licences would be granted against applications for back periods. But in the type of cases covered by category number (ii), the applications for back periods will be considered subject to the availability of monetary/foreign exchange ceiling in the following manner:—

- (a) Where the item concerned is licensable to established importers at the time of issue of the licence, the application for the back period will be considered in the normal course in terms of the import policy for the licensing period to which the application pertains;
- (b) Where the item concerned is not licensable to established importers at the time of issue of the licence and the application for consideration pertains to the immediately preceding period, such application will be considered in the normal course in terms of the import policy for the licensing period to which the application pertains provided the import of the item in question is not canalised through any agency at the time of issue of the licence; and
- (c) no licences for back periods will be issued in cases not covered by (a) and (b) above and for items whose import is canalised at the time of consideration of the application. However, in order to alleviate the hardship caused to the applicant by the total refusal of licences in such cases, the licensing authority may consider such application on *ad hoc* basis and issue licences for permissible items in lieu of banned and canalised items. Such licences where granted will be subject to such restrictions, limitations or conditions and for such value as may be deemed fit and decided by the licensing authority.



**AMENDMENTS TO CHAPTER IV ON "ACTUAL USERS"**

Paragraphs 68 to 91 may be amended to read as under:—

68. (1) *Definition.*—Actual Users are those who require raw materials, accessories, machinery and spare parts for their own use in an industrial manufacturing process.

(2) *Categories of actual users.*—Broadly speaking there are three categories, viz., (i) scheduled industries borne on the registers of the Directorate General of Technical Development, (ii) scheduled industries not borne on the registers of the Directorate General of Technical Development and non-scheduled industries other than small scale industries, and (iii) small scale industries.

69. *Scheduled industries borne on the registers of the Directorate General of Technical Development.*—Procedure for submission of applications for import of raw materials, components and spares by scheduled industries borne on the registers of the Directorate General of Technical Development. (1) Actual users borne on the registers of the Directorate General of Technical Development for a particular industry, should, in respect of goods required for that industry, apply to the Chief Controller of Imports and Exports, New Delhi through the Directorate General of Technical Development (Import Cell) in the prescribed form. The envelopes should be superscribed "import application" and addressed to the Assistant Director (Import Cell), Directorate General of Technical Developments, New Delhi. These applications will be forwarded by the Directorate General of Technical Development with their recommendations to the Chief Controller of Imports and Exports, New Delhi, for necessary action.

(2) The applications should be made, in duplicate, in the prescribed form "C" as given in the relevant Import Trade Policy Book. The applications should be accompanied by:

- (a) Treasury/Bank receipt showing the payment of application fee on the value applied for;
- (b) seven copies of the list of items sought to be imported (out of these three copies, one copy will be returned by the Directorate General of Technical Development to the applicant with such amendments as the Directorate General of Technical Development may make);
- (c) any other document/information considered necessary or required in terms of the provisions of this Book or the relevant Import Trade Control Policy Book or any Public Notice/Trade Notice issued in this regard.

(3) It should be noted that an industrial undertaking should, for each industry handled by it, apply only once in a licensing period, and should submit a consolidated application for licence covering its 296 G. of I.—2.

annual requirements or raw materials, components as also spare parts, including spare parts of Machine Tools, for the particular industry to which the application pertains, but excluding non-ferrous and ferrous metals for which separate applications are required to be made. There should not be a separate application for spare parts. The application should be made after very careful consideration so that the necessity for applying for a change in the nomenclature or description of items or introducing any new item at a later stage does not arise. Unless there are special reasons, the requests for amendment or addition to the list or description or items will not be entertained.

(4) The applications should reach the Directorate General of Technical Development by the due date for submission of such applications prescribed in the relevant Import Trade Control Policy Book. Time-barred applications are liable to be summarily rejected. The Directorate General of Technical Development may, however, entertain an application from an actual user received within a period of 14 days from the last date prescribed for submission of such applications. The applications received after the grace period of 14 days will be entertained by the Directorate General of Technical Development only if the Industrial Adviser concerned is satisfied that the delay was caused on account of circumstances over which the applicant had no control and that the rejection of the application as time-barred will cause genuine hardship to the applicant. The grace period of 14 days or the condonation of delay exceeding 14 days as provided in this sub-para, cannot be claimed as a matter of right. The licensing authority will not raise any objection regarding the delay in the submission of application or the condonation of delay by the Directorate General of Technical Development, except in cases where the application is received by the licensing authority with the recommendation of the Directorate General of Technical Development at a time when the monetary ceiling to which the value of the licence is to be debited, has been closed.

(5) For facility of reference and in order to have a clear demarcation of industries with reference to the end-products, each Development Officer in the Directorate General of Technical Development will be given a matrix of code numbers covering his industries. From each matrix number relating to a particular industry would be derived other numbers to relate to each unit producing end-products of that industry. Each unit will thus be awarded a code number, the first three digits of which will indicate the matrix number and the last three digits the unit number. From the matrix number, the Receipt Section in the Directorate General of Technical Development will identify the Development Officer who, from the whole code number will identify the unit. As and when code numbers are allotted by the D.G.T.D., each unit should quote its code number in its original application for licence and also in all subsequent communications so that cross-referencing is facilitated. If a particular unit produces a number of end-products falling within different industrial matrix numbers, it will have as many code numbers allotted to it. In the Licensing Sections of the Office of the Chief Controller of Imports and Exports, suitable adjustments will be made in the filing and indexing system to mesh with the processing of

applications for licences on the code numbers allotted by the Directorate General of Technical Development.

(6) The applicants should also observe the following instructions while applying for licences:—

- (i) The stocks held and the expected arrivals against licences in hand as on the opening day of the licensing period, i.e., on 1st April, should be indicated in the appropriate column in the application for licence;
- (ii) Full details of the items applied for and justification for their import *vis-a-vis* use of indigenous substitutes, the value/quantity in respect of each item and the ITC classification of the items should be invariably indicated in the application for licence;
- (iii) Detailed end-use of the raw materials/components applied for should be mentioned in the application;
- (iv) The Factory Number and the code number allotted by the Directorate General of Technical Development to the scheduled unit should be given in the relevant columns in the application form;
- (v) It should also be indicated in the application whether the applicant has been licensed under the Industries (Development and Regulation) Act, 1951 and if so, the licence number may be quoted;
- (vi) The efforts made for procuring the goods applied for or substitutes thereof from the internal market or indigenous manufacturers and the result of such efforts should also be indicated in the application (the indigenous manufacturers published in the Hand Book of Indigenous Manufacturers should be contacted for the supply of articles manufactured by them);
- (vii) No application should be made for raw materials etc. required for the manufacture of new items unless a licence for such manufacture has been obtained under the Industries (Development and Regulation) Act, 1951 wherever necessary.

70. *Processing of applications and basis of licensing.*—(1) The applications for licences received in the Directorate General of Technical Development without the treasury challan showing the payment of application fee or where the treasury challan furnished by the applicant is not of the correct amount which the applicant is required to pay on the value applied for, will be returned by the Directorate General of Technical Development to the applicant indicating to him the correct amount to be paid as application fee and advising him to resubmit the application with the treasury challan of the requisite amount within a specified time.

(2) The applications which are duly supported by treasury challan of the requisite amount, will be scrutinised in the Directorate General of Technical Development and, while acknowledging the application, the Directorate General of Technical Development will also inform

the applicant about the deficiencies in his application. For the purpose of locating the deficiencies in an application, the Directorate General of Technical Development will also check up whether the I.V.C. No. quoted by the applicant in his application is valid for the licensing period to which the application pertains; and the deficiency, if any, in the I.V.C. No. will also be communicated by the Directorate General of Technical Development to the applicant along with other deficiencies in their acknowledgement-cum-deficiency letter. The applicant will be given a specific time-limit to make up the deficiencies.

(3) The Directorate General of Technical Development will also check up whether the applicant has furnished to them the complete monthly production returns for the preceding calendar year in respect of the industrial unit to which the application for licence pertains. In the case of units failing to submit complete monthly production returns, the applications for licences will be liable to be summarily rejected.

(4) The recommendations for grant or refusal of licences will be made by the Directorate General of Technical Development on the basis of (i) foreign exchange availability, (ii) availability of the goods applied for from indigenous sources or other commercial channels, (iii) essentiality of the goods applied for, (iv) stocks in hand and expected arrivals, (v) past imports and past consumption of the item(s), in question, by the applicant, (vi) actual production during the preceding year, (vii) estimated production and (viii) any other factor considered relevant and necessary.

(5) The recommendation of the Directorate General of Technical Development will be forwarded to the CCI&E. along with one copy of the application for licence in each case and the treasury challan furnished by the party. Five copies of the list of goods recommended for import by the Directorate General of Technical Development including one copy of the list duly attested by them, will also be sent to the CCI&E along with the recommendation in all cases. The Directorate General of Technical Development will also send a copy of their recommendation to the applicant, returning to him therewith one copy of the list of goods applied for with such changes as may be made by them in the list. The recommendation will indicate the reasons for rejecting or reducing the amount of any item asked for.

(6) On receipt of the application and the recommendation from the Directorate General of Technical Development, the licensing authority will check up the I.V.C. No., treasury challan and other procedural points relating to the Import Trade Control Rules and Regulations, and if the application is found to be in order, the licence will be issued or refused, as the case may be, based on the recommendation of the Directorate General of Technical Development. Such licences will be consolidated licences covering the requirements of the applicant in respect of raw materials, components and spares for the licensing period concerned. The value/quantitative limits against individual items permitted in the licence will be indicated if so recommended by the Directorate General of Technical Development. Where the licensing authority does not, for any reason, observe the

advice/recommendation of the Directorate General of Technical Development in its entirety, the necessary intimation to this effect will be given to the Directorate General of Technical Development.

(7) The licences for raw materials, components and spares will be issued on annual basis subject to such conditions or restrictions or relaxations regarding utilisation or remittances as the licensing authority may deem fit to impose. In cases where annual licences are issued subject to the condition that the second half of the value of the annual licence will be allowed to be utilised by the licensee only after an endorsement by the licensing authority during the second half year with such changes in value as may be decided by the Government, the holders of such licences will not be required to approach the Directorate General of Technical Development for any recommendation in regard to the changes to be made in the second half of the value of the annual licences, but such licensees will be required to approach the licensing authority direct and the licensing authority will make necessary endorsements on the licences or issue necessary orders authorising the licensee to utilise the second half of the value of the licence on the basis of the recommendation of the Directorate General of Technical Development. For this purpose, the Directorate General of Technical Development will send a consolidated statement to the licensing authority during the second half of the licensing period recommending changes in value in individual cases having regard to the monetary ceiling for the second half of the licensing period and the import policy in force.

(8) The requests for amendment of licences should also be routed through the Directorate General of Technical Development and such requests will be considered by the licensing authority on the recommendation of the Directorate General of Technical Development. However, the requests of amendment of minor nature, i.e., those not involving change in the value or items, will be entertained direct by the licensing authority.

(9) The requests for first revalidation, i.e., extension of the period of validity of the licence should be made to the licensing authority. The requests for second and subsequent revalidation of the same licence should, however, be made to the licensing authority through the Directorate General of Technical Development and such requests will be considered by the licensing authority on the basis of the recommendation of the Directorate General of Technical Development. The applicant should specifically indicate in the application for revalidation, the amount for which commitment has been made and the amount for which goods have been imported during the initial period of validity of the licence.

**Scheduled Industries not borne on the Registers of the Directorate General of Technical Development and non-scheduled Industries other than small scale.**

71. *Procedure for submission of applications for import of raw materials, components and spare parts.*—(1) Actual users who are (i) not borne on the register of the Directorate General of Technical Development or (ii) borne on the register of the Directorate General of Technical Development but not for the particular industry for which the application for licence is proposed to be made, should submit their applications, in duplicate, in the prescribed Form "B" as given in the relevant Import Trade Control Policy Book and also in Appendix 9 to this book. This is an application-cum-recommendation form and no separate application for obtaining the recommendation of the sponsoring authority will be required to be made. It should be carefully noted that the system which was hitherto in force and under which the actual users were required to obtain essentiality certificates from the Directors of Industries or other sponsoring authorities, has been dispensed with and the actual user will not now be required to get an essentiality certificate. The revised form of application is itself an application-cum-recommendation form which should be submitted by the actual user to the sponsoring authority concerned after filling in parts I & II of the form. The sponsoring authority will give his recommendation in Part III of the application form and will thereafter forward the application to the licensing authority concerned for necessary action.

(2) The names of sponsoring authorities through whom the actual user is required to submit his application for licence are given in Appendix 11 to this book. The sponsoring authority will forward the application with his recommendation to the licensing authority concerned (shown against the item concerned in column 3 of the policy statement given in section II of the relevant Import Trade Control Policy Book). The application should be accompanied by :—

- (a) treasury/bank receipt showing the payment of application fee on the value applied for ;
- (b) four copies of the list of items sought to be imported (i.e. two lists of items to be attached with each copy of the application) ;
- (c) any other document/information considered necessary or required in terms of the provisions of this Book or the relevant Import Trade Control Policy Book or any Public Notice/Trade Notice issued in this regard.

(3) The application should be a consolidated one covering the annual requirement of the unit in respect of raw materials, components as also spare parts, including spare parts of Machine Tools, for the particular industry to which the application pertains, but excluding non-ferrous and ferrous metals for which separate applications should be made where required and also excluding such of

the items of raw materials/components as are licensable by the other licensing authority for which also separate application should be made to the licensing authority concerned through the appropriate sponsoring authority. There should not be a separate application for spare parts. The applicants should make applications after very careful consideration so that the necessity for applying for a change in the description of items or introducing any new item at a later stage does not arise. Unless there are special reasons, the requests for amendment or addition to the list or description of items or value thereof will not be entertained.

(4) The applications should reach the sponsoring authority concerned by the due date prescribed in the relevant Import Trade Control Policy Book. Time-barred applications are liable to be summarily rejected. The sponsoring authority may, however, entertain an application from an actual user received within a period of 14 days from the last date prescribed for submission of such applications. The applications received after the grace period of 14 days will be entertained by the sponsoring authority only if the Head of the sponsoring office concerned is satisfied that the delay was caused on account of the circumstances over which the applicant had no control and that the rejection of the application as time-barred will cause genuine hardship to the applicant. The grace period of 14 days or condonation of delay beyond 14 days as indicated in this sub-para, cannot be claimed as a matter of right. The licensing authority will not raise any objection regarding the delay in the submission of application or the condonation of delay by the sponsoring authority except in cases where the application is received by the licensing authority with the recommendation of the sponsoring authority at a time when the monetary ceiling to which the value of the licence is to be debited, has been closed.

(5) While applying for licences the applicants should follow the instructions as stated in sub-para 6 of paragraph 69 of this book wherever applicable.

72. *Processing of applications and basis of licensing.*—(1) The sponsoring authority will send to the applicant an acknowledgement of the application also indicating therein the deficiencies in the application. For the purpose of locating deficiencies in the application, the sponsoring authority will also check up the I.V.C. No. and the Treasury challan furnished by the applicant showing the payment of application fee. In regard to the I.V.C. number, the sponsoring authority will check up whether the number quoted by the applicant is valid for the licensing period to which the application pertains. In the case of treasury challan the sponsoring authority will see whether the applicant has paid the correct amount due from him on the value applied for. The deficiencies in the I.V.C. number and the treasury challan will also be communicated by the sponsoring authority to the applicant along with other deficiencies in the acknowledgement-cum-deficiency letter sent to the applicant. The applicant will be given specific time limit to make up the deficiencies.

(2) The sponsoring authority will prepare 4 copies of his recommendation for licence in each case in Part III of the application form.

Of these 4 copies, one copy will be sent by him to the applicant, one will be retained in his own office and two copies will be sent by him to the licensing authority concerned along with one copy of the application and the treasury challan furnished by the party. The lists of items will also be sent by the sponsoring authority duly attested by him. The sponsoring authority will also give reasons for rejecting or reducing the amount of any item asked for.

(3) On receipt of the application from the sponsoring authority, the licensing authority will check up the I.V.C. No., the Treasury Challan and other procedural points as required in terms of the Import Trade Control Rules and Regulations. The deficiencies, if any, found therein will be communicated to the applicant giving him a specified time limit to make up the deficiencies. In the case of applications found to be in order, the licensing authority will proceed to consider the case on merits on the basis of the certified requirements for 12 months as recommended by the sponsoring authority having regard to the following:—

- (i) availability of foreign exchange ;
- (ii) the stocks held and expected arrivals against the licence in hand as on the first day of the licensing period concerned i.e. 1st April ;
- (iii) the quantity of goods or its substitutes likely to be made available through indigenous sources or other commercial channels ;
- (iv) past imports/past consumption of the item in question by the applicant ;
- (v) the actual production during the past licensing period and the estimated production for the period in question ; and
- (vi) any fall in production on account of circumstances such as break-down of machinery, labour relations, want of funds etc.

(4) The intimation about the grant or refusal of the licence will be sent by the licensing authority to the sponsoring authority if the decision of the licensing authority is at variance with the recommendation of the sponsoring authority.

(5) Applications from actual users who are applying for the first time may be considered on merits if specially recommended by the sponsoring authority concerned provided the unit has already imported/purchased locally and installed the machinery. The issue of licences will depend upon the essentiality of the end-product and the availability of foreign exchange ceiling. The defence and export oriented industries will be given preference.

(6) The applications will ordinarily be considered for items which are shown as licensable to actual users in the relevant Import Trade Control Policy Book, but applications for other items specially recommended by the certifying authority may also be considered on merits.



(7) The licences for raw materials, components and spares will be issued on annual basis subject to such conditions or restrictions or relaxations regarding utilisation or remittances as the licensing authority may deem fit to impose. In cases where annual licences are issued subject to the conditions that the second half of the value of the annual licence will be allowed to be utilised by the licensee only after an endorsement by the licensing authority during the second half year with such changes in value as may be decided by the Government, the holders of such licences will not be required to approach the sponsoring authority for any recommendation in regard to the changes to be made in the second half of the value of the annual licences, but such licensees will be required to approach the licensing authority direct and the licensing authority will make necessary endorsements on the licences or issue necessary orders authorising the licensee to utilise the second half of the value of the licence on the basis of the recommendation of the sponsoring authority. For this purpose, the sponsoring authority will send a consolidated statement to the licensing authority during the second half of the licensing period recommending changes in value in individual cases having regard to the monetary ceiling for the second half of the licensing period and the import policy in force.

(8) The requests for amendment in the value or the items permitted in the licence should also be made to the licensing authority concerned through the appropriate sponsoring authority. However, the requests for amendment of minor nature i.e. those not involving change in the value or items will be entertained direct by the licensing authority.

### SMALL SCALE INDUSTRIES

**73. Definition of Small Scale Industries.**—Small Scale Industries will include all industrial units with a capital investment of not more than Rs. 5 lakhs irrespective of the number of persons employed. Capital investment for the purpose of this definition will mean investment in fixed assets like land, buildings, machinery and equipment. Where units are functioning in rented premises, the capital valuation of such buildings shall be taken into account in assessing the prescribed limit of Rs. 5 lakhs, but workers' housing and welfare amenities shall be excluded from the capital estimate for this purpose. When calculating the value of machinery and equipment, the original price paid by the owner, irrespective of whether it was new machinery and equipment or secondhand, will be taken.

**74. Procedure for submission of applications for raw materials, components and spare parts.**—(1) It has been decided that the monetary ceiling earmarked for issue of import licences to S.S.I. Units should be intimated to the States rather than being kept in a central pool with the Chief Controller of Imports and Exports as hitherto. The ceiling will be distributed to the States by the D.C. (SSI) on the basis of an equitable formula which has been devised for this purpose. The Directors of Industries and other sponsoring authorities for the small scale sector have thus been placed at par with the sponsoring authorities in the large scale sector (e.g. D.G.T. D.) and they will be required to fit in their unit-wise allocation within the ceiling intimated to them. In view of this decision, the procedure for submission of application for the issue of licenses by S.S.I. Unit has been suitably modified.

(2) The actual user in the small scale sector should make a consolidated application for an import licence covering the annual requirements of the unit in respect of raw materials, components and spare part, including spare parts of Machine Tools. No separate application should be made for spare parts. The application should be made through the sponsoring authority concerned. The sponsoring authority will forward the application with his recommendation to the licensing authority concerned.

(3) The licensing authority concerned in the case of small scale industrial units will be the regional licensing authority in whose territorial jurisdiction the factory of the actual user is located irrespective of the fact whether the licensing in respect of any item applied for is centralised with any particular licensing authority. The licences for import from rupee payment area to the small scale units will also be issued by the concerned regional licensing authority on receipt of the applications through the sponsoring authority concerned with his recommendation. However, in the case of textile engineering industries in the small scale sector, the licensing authority will be the Joint Chief Controller of Imports and Exports, Bombay.

(4) The sponsoring authority in the case of small scale industrial units is the respective State Director of Industries except that in the case of Textile Engineering Industries, Pharmaceutical industries, Handloom industries, Fishery industries and Fruits and Vegetable preservation industry, the sponsoring authorities are the Textile Commissioner, Bombay, the State Drug Control authorities (as given in Appendix 10 to this book) the State Directors of Handloom, the State Directors of Fisheries and the Director of Marketing & Inspection, Ministry of Food & Agriculture, Government of India, Nagpur, respectively.

(5) The prescribed form of application for licences for import of raw materials, components and spare parts to be used by small scale units is form "B" as given in the relevant Import Trade Control Policy Book and also in Appendix 9 to this book. This is an application-cum-recommendation form. No separate application is required to be submitted to the sponsoring authority for obtaining his recommendation for licence. The prescribed form of application has 3 parts. Part I of the form is for use in the licensing office, Part II is for use by the sponsoring authority and Part III which is to be filled in by the sponsoring authority will contain his recommendation for licence. Part III of the application form will be in duplicate having perforated arrangement. If the sponsoring authority wishes to add any additional column to Part II of the form, he may do so under intimation to the licensing authority concerned and make available the amended form to the applicants within his jurisdiction. (It should be carefully noted that the system which was hitherto in force and under which the actual users were required to obtain essentiality certificates from the Directors of Industries or other sponsoring authorities, has been dispensed with and the actual user will not now be required to get essentiality certificate. The revised form of application is itself an application-cum-recommendation form which should be submitted by the actual user to the sponsoring authority concerned after filling in Parts I and II of the form. The sponsoring authority will give his recommendation in Part III of the form and will thereafter forward the application to the licensing authority concerned for necessary action).

(6) The actual user should submit the application for licence in the prescribed form, in duplicate, along with the treasury challan showing the payment of application fee, to the sponsoring authority concerned. Full details of the goods applied for, their I.T.C. classification, the value/quantity in respect of each item and the end-use for which the goods are required should be clearly indicated by the applicant in his application for licence. The sponsoring authority will issue an acknowledgement-cum-deficiency letter to the applicant acknowledging the application and pointing out any deficiencies therein. For the purpose of pointing out deficiencies, the sponsoring authority will scrutinise the information given in Part II of the application form and also the I.V.C. number and the treasury challan furnished by the applicant. In regard to I.V.C. number the sponsoring authority will only see whether the Number quoted by the applicant in his application is valid for the licensing period concerned or not. As regards treasury challan, the sponsoring authority will check up whether the applicant has paid the correct amount which he is

required to pay on the value applied for. The applicant will be given a specified time to make up the deficiencies.

(7) The applications for licences should reach the sponsoring authority concerned within the last date for submission of such applications as prescribed in the relevant Import Trade Control Policy Book. Time-barred applications are liable to be summarily rejected. The sponsoring authority may, however, entertain an application from an actual user received within 14 days from the last prescribed date. The applications received after the grace period of 14 days will be entertained by the sponsoring authority only if the head of the sponsoring office concerned is satisfied that the delay was caused due to circumstances beyond the control of the applicant and that the rejection of the application as time-barred will cause genuine hardship to him. The grace period of 14 days or the condonation of delay exceeding 14 days as provided in this sub-para, cannot be claimed as a matter of right. The licensing authority will not raise any objection regarding the delay in the submission of application or the condonation of delay by the sponsoring authority except in cases where the application is received by the licensing authority with the recommendation of the sponsoring authority at a time when the monetary ceiling to which the value of the licence is to be debited, has been closed.

75. *Basis of recommendation and licensing.*—(1) the recommendations for licences will be made by the sponsoring authority in terms of the import policy in force and the general directions given by the Development Commissioner, Small Scale Industries (DC, SSI) as may be required from time to time and within the monetary ceiling (both free foreign exchange and rupee ceiling) allocated to each sponsoring authority. The sponsoring authority will determine the annual requirements of the unit having regard to the following factors also:—

- (i) the stocks held and expected arrivals against the licence in hand as on the first day of the licensing period concerned i.e. 1st April;
- (ii) the quantity of goods or its substitutes likely to be made available through indigenous sources or other commercial channels;
- (iii) past imports/past consumption of the item in question by the applicant;
- (iv) the installed capacity, actual production during the past licensing period and the estimated production for the period in question; and
- (v) any fall in production on account of circumstances such as break-down of machinery, labour relations, want of funds, etc.

The sponsoring authority will prepare four copies of his recommendation for licence in each case in Part III of the application. Of these 4 copies, one copy will be sent by him to the applicant, one will be retained in his own office and two copies will be sent to the licensing authority along with one copy of the application and the

treasury challan furnished by the party. The sponsoring authority will also give reasons for rejecting or reducing the amount of any item asked for.

(2) The DC(SS1) while distributing the ceiling may make due provision for the development and growth of industries of a priority nature like defence and export oriented industries, ancillaries, etc. which may have to be supported under any policy of national importance. The sponsoring authority will keep in view the general directions of the DC(SS1) in this regard while recommending licences.

(3) *New Units.*—In order to discourage new industries for the manufacture of items for which adequate capacity exists in the country and to ensure rational growth in the Small Scale Sector, the sponsoring authority will not recommend a licence on an application from a new unit for the import of materials required in the manufacture of an end-product included in the banned list of industries appearing in the relevant Import Trade Control Policy Book or announced separately by a Public Notice.

(4) *Other Units.*—In the case of new units other than those referred to in sub-para 3 above and in the case of all existing units it will be open to the sponsoring authority concerned to formulate a basis for recommending the applications for licences in respect of permissible items within the monetary ceiling allocated to him, subject to the import policy in force and the general direction as may be given by the DC(SS1), and having regard to the factors indicated in sub-para (1) of this para and any other factor considered relevant by him.

(5) If the sponsoring authority considers a banned item as essential for a particular applicant or end-product, he will refer such cases for advice to the DC(SS1) before recommending the licence for such item. In the office of the DC(SS1), such references from the sponsoring authorities will be placed before a Committee (called the SSI Committee) consisting of the representatives of the Directorate General of Technical Development and the DC(SS1). The minutes of the meeting of the Committee will be circulated to the sponsoring authorities and the licensing authorities. The sponsoring authorities will recommend licences for such items on the basis of the recommendations made by the said Committee. If any item is licensable to actual users in consultation with any other technical authority, the sponsoring authority will consult such technical authority before recommending the licences and an endorsement to this effect will be made in the recommendation for licence. If, for any reasons, the sponsoring authority recommends a licence for any of such items without obtaining the necessary clearance from the S.S.I. Committee or the technical authority concerned, as the case may be, the licensing authority may refuse the licence for such item(s) under intimation to the sponsoring authority concerned.

(6) In the case of items which are permissible in terms of the relevant Import Trade Control Policy for a specified end-product only, the sponsoring authority will ensure that the licences are recommended for items permissible for the specified end-products;

otherwise the licensing authority may disallow the item under intimation to the sponsoring authority concerned. If the sponsoring authority considers such item as essential for any other end-product, he may obtain clearance from the SSI Committee before recommending the licence.

(7) In the case of items for which the requirements are to be met by actual users through an approved agency such as the State Trading Corporation, the sponsoring authority will recommend a licence only if the said agency is not in a position to supply the goods within a reasonable period. A certificate to this effect will also be given by the sponsoring authority in his recommendation for licence.

(8) In cases where the sponsoring authority recommends any new item to actual users, it will be his responsibility to see that the c.i.f. price quoted by the applicant in his application is correct. For this purpose the sponsoring authority will either ask the applicant to produce the proforma invoices or he will compare the c.i.f. price quoted by the applicant with the price for the same item quoted by other parties.

(9) On receipt of the application through the sponsoring authority, the licensing authority will check up entries in Part I of the application form including the I.V.C. Number and the treasury challan. If any deficiency is found therein, it will be communicated by the licensing authority to the applicant giving him a specified time to make up the deficiencies. In the case of applications having no deficiency, the import licence or the rejection letter as the case may be, will be issued to the applicants by the licensing authority. While sending to the applicant a licence or a rejection letter, as the case may be, the licensing authority will simultaneously send back to the sponsoring authority one copy of his recommendation indicating therein the items deleted and the consequential reduction in value, if any. This will enable the sponsoring authority to correct the amount of progressive utilisation of ceiling maintained by him and will also enable him to note the items which have been deleted by the licensing authority.

(10) The sponsoring authority will also send a weekly statement to the licensing authority showing the progressive utilisation of the ceiling placed at the disposal of the sponsoring authority. This will serve as a double check for the licensing authority to ensure that licences are not issued in excess of the ceiling allocated to a particular State. If any licence is recommended by the sponsoring authority in excess of the ceiling at his disposal, the licensing authority will reject the application under intimation to the sponsoring authority. In order that needs of units in the S.S.I. Sector are not over looked towards the fag-end of the licensing period, the licensing authorities will also send a warning letter to the sponsoring authorities as soon as 75 per cent of the total ceiling intimated to them has been exhausted.

(11) The State Directors of Industries will send abstracts of their recommendations periodically to the DC(SS) in a form which

will be decided by the DC(SS1) in consultation with the Directors of Industries. Through such abstracts, the DC(SS1) will undertake *post-facto* checks of the recommendations made by the Directors of Industries with a view to see whether they have followed the over-all import policy and the general directions given to them by him.

(12) In the case of industries sponsored by the State Drugs controllers in the small scale sector, the functions of the DC (SSI) will be performed by the Drugs Controller of India.

76. The specific role of the organisations of the DC(SS1), the sponsoring authorities and the licensing authorities in the processing of applications and grant of licences to S.S.I. Units in terms of this new procedure is summarised below :—

(a) *Role of the DC(SS1):*

- (i) To distribute ceiling to the States on the basis laid down;
- (ii) To give general directions to the Directors of Industries as may be required from time to time;
- (iii) To convene meetings of the SSI Committee and circulate its recommendations;
- (iv) To undertake *post-facto* check of the recommendations made by the Directors of Industries with a view to see whether the Directors of Industries have followed the over-all import policy and the general directions given to them;
- (v) To co-ordinate the work of licensing to S.S.I. Units between the licensing authorities and the sponsoring authorities.

(b) *Role of the Sponsoring authorities:*

- (i) To recommend applications for grant of licences within the ceiling allocated to them and forward the same to the licensing authority concerned in accordance with the prescribed procedure;
- (ii) To ensure compliance with the general directions issued by the DC(SS1) and the policy laid down in the matter of assessment of requirements;
- (iii) To devise a policy to govern recommendations in cases other than those covered by (ii) above;
- (iv) To obtain clearance from the S.S.I. Committee and the technical authorities wherever necessary, before recommending licences;
- (v) To ensure that in respect of items available from the STC etc. the licences are recommended only after obtaining the necessary clearance from the STC etc.
- (vi) To ensure that recommendations do not exceed the ceiling allotted to that State and also to see that a small cushion is kept in reserve for implementing decisions in appeals;

- (vii) To send an abstract of the recommendations made to the DC(SSI);
  - (viii) To undertake post-check of the industrial units to see whether the imported material has been properly utilised and to report cases involving misuse of such material or breach of conditions of licences to the licensing authority and C.C.I.&E.
- (c) *Role of the licensing authorities:*
- (i) To issue licences on the basis of the recommendations of the sponsoring authorities where such recommendations are in consonance with the policy/procedure in force;
  - (ii) In the case of rejections, to communicate reasons thereof to the applicants;
  - (iii) To take penal action against the licensees or importers for violations of import and export control regulations;
  - (iv) To watch utilisation of ceilings State-wise.

77. *Annual Licensing.*—(1) The units in the small scale sector will be granted consolidated licences on annual basis to meet their requirements for raw materials, components and spares subject to such conditions or restrictions regarding utilisation or remittance as the licensing authority may impose on such annual licences

(2) The sponsoring authorities will, therefore, recommend licences to all small scale units for raw materials, components and spares on annual basis covering the requirements of the unit for a period of 12 months as considered essential by the sponsoring authority within the monetary ceiling indicated to the sponsoring authority concerned.

(3) In cases where annual licences are issued subject to the condition that the second half of the value of the annual licences will be allowed to be utilised by the licensee only after an endorsement by the licensing authority during the second half year of the licensing period, with such changes in value as may be decided by the Government, the holders of such licences will not be permitted to utilise the second half of the value of their licences except after an authorisation or endorsement by the licensing authority concerned during the second half year of the licensing period. In such cases, however, the licensees will not be required to approach the sponsoring authority concerned for any recommendation in regard to the changes to be made in the second half of the value of the annual licences, but the licensees will be required to approach the licensing authority concerned direct and the licensing authority will make necessary endorsements on the licences or issue necessary orders authorising the licensees to utilise the second half of the value of their licences on the basis of the recommendations of the sponsoring authority concerned. For this purpose the sponsoring authority will send a consolidated statement to the licensing authority during the second half of the licensing period recommending changes in value having regard to the monetary ceiling for the second half of the licensing period as indicated to the sponsoring authority.



(4) In the case of new units who come into operation only for the first time during the second half year of any licensing period, the sponsoring authority may entertain applications for licences in the prescribed form from such units during the second half year of the licensing period as a special case. In such cases, however, the sponsoring authority will recommend licences to cover the requirements of the units for a period of 6 months only and not 12 months as in other cases, if the unit is otherwise eligible to the licence.

78. *Minimum value of A.U. licences and import through State-Sponsored Corporations.*—(1) In order that it may not be uneconomical for the licensees in the small scale sector to effect imports against small value licences, it has been decided that the minimum value for which consolidated licences for raw materials, components and spares will be issued to Small Scale Units for their annual entitlements will be Rs 500 unless the sponsoring authority considers that the certified requirements of the unit will be less than this value. In the latter case the licences will be issued for the actual certified requirements as recommended by the sponsoring authorities. In cases where the licences are issued on half yearly entitlement, the minimum value of a consolidated licence will be Rs. 250 or the value considered essential by the sponsoring authority whichever is less. The sponsoring authorities should keep this decision in view while recommending licences to small scale units.

(2) The State Directors of Industries will also be authorised to pool together the small requirements of actual users in the small scale sector in respect of raw materials, components and spares in cases where such requirements are below Rs. 250 in each case and obtain a consolidated licence in the name of the State sponsored Corporation. Such licences in the name of State sponsored corporation will be issued by the licensing authority on the recommendation of the Director of Industries concerned subject to the condition that the goods imported against such licences shall be distributed by the State Sponsored Corporation only to the actual users applicants concerned under the directions of the State Director of Industries and on a price to be fixed by the State Government concerned.

79. *Issue of bulk actual users licences to Co-operative Societies/Associations for the requirements of their members.*—(1) The licensing authority may consider an application for the grant of an actual user licence for raw materials, components and spare parts from an Industrial Cooperative Society for import of goods required by the individual members of the society in the manufacturing process in their respective factories/units, on the recommendation of the sponsoring authority concerned. The applications for such licences should be made in the prescribed 'form B' through the sponsoring authority concerned, and licences will be issued by the licensing authority on the recommendation of the sponsoring authority within the monetary ceiling indicated to the sponsoring authority.

(2) For the purpose of this provision, an Industrial Co-operative Society will mean any cooperative society in the industrial sector

registered under the Co-operative Societies Act applicable to the State where the Society is situated and includes Co-operative Societies undertaking production and sale activities or service activities as well as Federal societies.

(3) Under the provisions of this paragraph, the eligible societies should make consolidated applications for actual users' licences in the prescribed manner through the sponsoring authority concerned, with the following additional documents:—

- (i) List of members/member units with the requirements of each unit;
- (ii) Income Tax Verification registration or exemption number of each member;
- (iii) An undertaking by the society to the effect that the goods shall be distributed only to its members whose names and addresses are given in the list attached to the application for licences and they shall utilise the goods in question in their respective factories and that they shall abide by the terms and conditions subject to which a licence is granted;
- (iv) An undertaking from each member of the society to the effect that the goods supplied to him shall be used by him only in his factory and no portion thereof shall be sold to or be permitted to be utilised by any other party.

(4) A licence granted under these provisions will be issued subject to the following condition, apart from any other conditions imposed or deemed to have been imposed on the licence under clause 5 of the Imports (Control) Order, 1955 dated 7th December, 1955:—

“The goods imported under this licence shall be used only in the factories of the *bonafide* members of the licensee Society and no portion thereof shall be sold to or permitted to be utilised by any other party”.

(5) The licensing authority may also take a bond from the licensee for complying with the terms and condition of the licence granted or the undertaking furnished by the applicant.

(6) Under the provisions of this paragraph, applications for the grant of licences may also be considered from the Associations of actual users for the import of raw materials/components and spare parts for use by the individual members of the Association in their respective factories, provided such Associations are recognised for the grant of such licences in terms of the relevant policy in force. If such Association have any genuine difficulty in producing the Income-tax Verification Registration/Exemption Number in respect of their individual members, the licencing authority may dispose of the application for licence without insisting on the production of the Income-tax Verification Registration/Exemption Number for individual members, and the licence, if otherwise due, may be granted advising the Association to produce the I.V.C. Numbers by the end of the licensing period concerned or within 6 months from the date of issue of the licence, whichever is later.

80. *Grant of Actual User Licences to Government Departments/ projects.*—Grant of A.U. licences to Central and State Government departments, Development Projects and Central Government Controlled Joint Stock Companies will be considered only if the application for licence is sponsored by the appropriate Administrative Ministry of the Government of India who certify in clear terms in the sanction for release of foreign exchange that clearance from indigenous angle has been obtained from the Directorate General of Technical Development and that the concurrence of the Ministry of Finance (Deptt. of Economic Affairs) Government of India for expenditure of foreign exchange has been obtained.

81. *Issue of licences for machinery to S.S.I. Units.*—(1) In the case of industries in the small scale sector the applications for Capital equipment including machine tools of permissible varieties up to Rs. 5,000/- should be made to the regional licensing authority concerned through the sponsoring authority. The applications should be made in the prescribed form "B" as given in Appendix 9 to this book. There is no specified date by which these applications should be submitted. The sponsoring authorities may, if they so desire, prescribe suitable last dates for submission of applications. The sponsoring authorities may also introduce suitable changes in part II of the applications form to be used by the applicants for import of machinery under the provision of this paragraph.

(2) The applications under this provision will be considered only for the import of essential machinery and preference will be given for imports required for replacement and balancing purposes in the case of existing units and for Defence and Export oriented industries in the case of new units. The sponsoring authority will recommend licences for only such of the machinery/equipment as are not available from indigenous sources or other commercial channels. Indigenous clearance will be obtained by the sponsoring authority from the S.S.I. Committee in the office of the D.C. (SSI), New Delhi before recommending the licence. The recommendation for the licence will be made by the sponsoring authority within the monetary ceiling indicated to that authority. The licensing authority will consider the application on the basis of the recommendation of the sponsoring authority. The licence for a banned type of machinery will, however, be issued by the licensing authority only if the sponsoring authority has obtained indigenous clearance from the S.S.I. Committee as indicated above.

(3) The applications for import of machinery and permissible machine tools exceeding Rs. 5,000 and for banned type of machine tools, should be made in the form and manner prescribed for submission of applications under the Capital goods scheme in Chapter V of this book. Such applications should be made to the concerned authorities as indicated in the Capital goods Scheme in Chapter V of this book.

(4) Applications from S.S.I. Units for the import of testing and measuring instruments required for replacement of the existing machinery, modernisation or as additional plant or machinery will

be dealt with as and when received by the regional licensing authorities concerned through the sponsoring authorities. The applications for such instruments for values exceeding Rs. 5,000/- will also be dealt with by the regional licensing authorities concerned. The applications made under this sub para will be considered by the licensing authorities on the basis of recommendation of the sponsoring authority concerned within the monetary ceiling indicated to the sponsoring authority.

**82. Registration of Small Scale Industries:—**(1) A Scheme for the registration of Small Scale Industries was introduced in the year 1960. Under the Scheme, all the Small Scale Industries consuming imported raw materials and components, non-ferrous metals and Steel items were required to get themselves registered with the respective State Directors of Industries by the 31st March, 1961.

(2) The Registration number allotted to the Small Scale Industries under the scheme is required to be quoted by them in their applications for import licences or for allotment of non-ferrous metals and steel. In the absence of the Registration Number, the application is liable to be summarily rejected.

**83. Conditions of actual licences:—**(1) Licences granted to Scheduled industries will be issued subject to the following condition endorsed on them:—

“This licence is issued subject to the condition that all items of goods imported under it shall be used in the licence holder's factory, or may be processed in the factory of another manufacturing unit but no portion thereof will be sold to any other party. The goods so processed in another factory will, however, be utilised in the manufacturing processes undertaken by the Scheduled unit to whom the licence has been issued. The licensee shall maintain a proper account of consumption and utilisation of the goods imported against the licence.”

(2) The licences granted to non-scheduled industries (including Small Scale Industries) will be endorsed with the following condition:—

“This licence is issued subject to the condition that all items imported under it shall be used only in the licence holder's factory at the address shown in the application against which the licence is issued and no portion thereof will be utilised by the licensee for a unit/purpose other than the one for which the licence in question is issued, or will be sold or be permitted to be utilised by any other party. The licensee shall maintain proper account of consumption and utilisation of the goods imported against the licence.”

(3) The above conditions will be in addition to any other conditions imposed or deemed to have been imposed on each licence under Clause 5 of the Imports (Control) Order 1955 dated 7th December, 1955.

84. *Import of raw materials/components, spare parts and small tools against actual user licences granted to industries in scheduled and non-scheduled sectors including small scale industries.*—(1) All licences to Actual Users will be issued with both quantity/value as limiting factor. With a view to provide a flexibility to the industry in the use of the foreign exchange released to it, the holders of actual users licences for raw materials/components/spare parts may, in their discretion, utilise their licences in the manner indicated below:—

- (a) if the licence covers a single item for which quantitative limit has been specified in the licence, the licensee may import more quantity not exceeding 25% of the quantitative limit given in the licence, within the over-all value of the licence;
- (b) if a consolidated licence covering a number of items indicates quantity or value limit in respect of any item covered by it, the licensee may import more or less of that item subject to the condition that the import of the item in question does not exceed 25% of the quantity or value limit given in the licence. But if in respect of any item both value and quantity limits have been indicated, the import of that item should not exceed 25% of the given value limit. If any item covered by the licence bears a face value restriction in relation to the total value of the licence (say 5% of the value of the licence or 10% of the value of the licence and so on) the import in excess of the face value limit not exceeding 25%, thereof, may be made;
- (c) the licensee may import “permissible” spare parts and small tools, not covered by the licence, but required for the purpose of his factory, provided that the value of such imports does not exceed 25% of the total value of the licence; but banned items of spare parts and small tools cannot be imported under this provision. For this purpose, “permissible spare parts/small tools” have been defined as under:—
  - (i) the permissible spare parts are those required for servicing, maintenance and replacement purposes of the plant, machinery and equipment installed in the licence holder's factory, but spare parts which are specified elsewhere in the Import Trade Control Policy Book such as “Ball bearings, bolts & nuts etc”, will not be allowed to be imported;
  - (ii) the permissible small tools are those which are classified under Sr. No. 20 of Part II of the I.T.C. Schedule and are shown as licensable to actual users in the relevant Import Trade Control Policy Book excluding those specified in Appendix 15 of the said Policy Book;
- (d) within the 25% of total value indicated in (c) above, the licensee may utilise upto 5% of the total value of the licence or Rs. 2,500/- whichever is less, for the import of even the spares which are specified elsewhere in the Import Trade Control Policy Book, but which are not banned

and are required by the licensee for servicing, maintenance and replacement purposes of the plant, machinery and equipment installed in his factory;

- (e) the facilities indicated in sub-paras (a), (b), (c) and (d) above can be availed of only within the over-all face value of the licence.

(2) The provisions of sub-para (1) of this para will be applicable to actual user licences for raw materials/components/spare parts only and not to licences for machinery. (A.U. licences for components will be those where certain components are allowed to be imported for the assembly of the finished product.)

(3) For the purpose of application of the provisions of sub-para (1) of this para, the following points are clarified:—

- (i) these provisions will be applicable even to licences covering one item or commodity only for import;
- (ii) these provisions will also be applicable to licences for import of newsprint and art paper issued to actual users;
- (iii) the relevant policy for the purpose of determining permissibility or ban, as the case may be, for availing of these provisions, will be the policy in force at the time of issue of the licence. The Public Notice No. 29-ITC(PN)/64, dated 10-4-64 which provides that, in such cases, the relevant policy will be the one that was in force at the time the orders are placed on the foreign supplier for the import of the goods against the licence, may be treated as cancelled;
- (iv) under the provisions contained in sub-clauses (c) and (d) of sub-para (1) above, a licensee can also import permissible spare parts of machine tools required for servicing, maintenance and replacement purposes of the Machine Tools installed in his factory but the import of spare parts of machine tools specified in Schedule B of Appendix 11 to the relevant Import Trade Control Policy Book will not be allowed.

(4) The provisions of this paragraph will not be applicable to licences issued by the Iron & Steel Control Organisation.

(5) The actual user licences will automatically be valid for utilisation in terms of the provisions of this paragraph and it will not be necessary for the licence holders to get their licence specially endorsed for this purpose.

**85. Grant of Emergency licences for spare parts:—**(1) Applications for the grant of licences for the import of Emergency "Spare parts" will also be considered from actual users of all categories as and when received and such applications (including those for the import of emergency spare parts for machine tools) will be dealt with by licensing authorities at ports, in terms of the relevant policy in force.

(2) The facility to import emergency spare parts can also be availed of by the State Owned Corporations/Organisations/Under-takings which may require such spare parts on an emergency basis

and fulfil the requirements laid down in terms of the relevant policy in force.

86. *Issue of import licences to actual users for back periods:—*(1) Where an application for import licence from an actual user is not disposed of during the licensing period concerned on account of any delay or laches on the part of the applicant, no licence against such application will be issued after the expiry of the licensing period or after the close of the monetary ceiling. However, if the delay in the disposal of the application is on the part of the licensing authority or sponsoring authority or any other Government Department, the application will be considered on merits on the basis of the recommendations of the sponsoring authority concerned.

(2) In cases where the applications for licences are not disposed of during the licensing period concerned or before the close of the monetary ceiling on account of delay on the part of the sponsoring authority or the licensing authority or any other Government Department, the value of the licences issued in such cases will be treated as first charge on the monetary ceiling to be allocated to the concerned sponsoring authority for the next licensing period and the necessary intimation in this regard will be given to the sponsoring authority.

87. *Limiting factor.*—(1) The actual users, while applying for licences should indicate against each item the value and quantity sought to be imported. All import licences to actual users for import of raw materials, components and spare parts will be issued subject to both "quantity" and "value" as limiting factor.

(2) However, in the case of consolidated licences covering a number of items of raw materials, components and spare parts, the licensing authority will, on the basis of the recommendation of the sponsoring authority, indicate the quantitative/value limit(s) of only such items covered by the licence in respect of which it is desired to impose itemised restriction on the quantity/value to be allowed for import. In such cases, if an item for which the licence indicates the value/quantity limit(s), the licensee may import more of the given quantity/value in terms of the concession regarding flexibility provided in paragraph 84 of this book but within the over-all value of the licence. However, in the case of an item for which the licence does not indicate the value/quantity limit(s), it will be open to the licensee to import that item to the extent of any value/quantity provided the import thereof is covered within the over-all value of the licence.

(3) In the case of a licence covering a single item of raw materials or component or spare part, if the quantitative limit is specified, the concession regarding flexibility given in sub-clause 1(a) of paragraph 84 of this book may be availed. But, if the quantity has not been specified in respect of the item covered by the licence, the limiting factor "quantity" shown in the licence will have no application.

(4) Import licences issued to actual users for the import of capital goods/machinery and equipment will also be issued subject to both "quantity" and "value" as limiting factor. But the concession regarding flexibility as provided in paragraph 84 of this book will not be available for such licences, and it will not be open to the

licensee to import any item in excess of the quantitative limit specified for that item in the licence even if the excess import is within the over-all value of the licence.

88. *Misuse of A.U. licences.*—(1) It has been noticed that a number of Actual Users divert to other channels/uses, the raw materials or components etc. licensed to them for use in their factories. Attention of the actual users is drawn to the condition which is endorsed upon each licence to the effect that the goods shall be utilised in the licence holder's factory only for the purpose for which they are imported, and no portion thereof shall be sold to or permitted to be utilised by any other party. Steps are being taken to ensure that this condition is strictly complied with. If any licensee infringes the aforesaid condition, no further assistance will be given to him for the import of goods in the category of actual users, without prejudice to any other action which may be taken against him under the Imports and Exports (Control) Act, 1947 and the Imports (Control) Order 1955 dated 7th December, 1955.

(2) Similarly, where any imported goods are allotted to an actual user through the State Trading Corporation of India or any other recognised agency for use in the actual user's factory, it will not be open to the actual user concerned to divert such goods to other channels/ uses or to allow any other party to utilise the said goods. If any actual user is found to have misused the goods so allotted to him, no further assistance will be given to him or any allotment made to him in future, without prejudice to any other action which may be taken against him under the Imports and Exports (Control) Act, 1947 and the Order made thereunder.

(3) The actual user should maintain a proper account of the consumption and utilisation of the imported goods in the prescribed proforma as given in App. 21 to this book. In the event of his failure to maintain proper account in this manner in respect of any goods imported against actual user licences or allotted to the actual users from the State Trading Corporation of India etc., the applications for issue of further licences or allotments will be liable to rejection without prejudice to any other action that may be taken against him.

(4) The Directors of Industries and other sponsoring authorities will check up whether the imported material has been properly utilised by the licensee. In cases involving contravention of conditions of licences, the reports will be sent by the Directors of Industries and other sponsoring authorities to the Chief Controller of Imports and Exports to enable the latter to initiate action against the parties concerned. For this purpose it is essential for all actual users wishing to take advantage of the import of goods as raw materials, components, spare parts, accessories,—or machineries, etc., to maintain accurate and up-to-date records of stocks, procurement and consumption of articles used by them in their industrial undertakings as provided in sub-para (3) above.

89. *Grant of Actual User licences to certain specified categories of applicants.*—(1) Normally Laundries, Garages, Repair shops, Hotels are not treated as actual users as they are not engaged in the industrial production of any item. Such parties are required to meet their



requirements from imports effected by Established Importers and goods available from the indigenous manufacturers. However, the State Directors of Industries may entertain applications from processing and servicing units like Laundries, Garages etc. for the import of machinery, machine tools or equipment required for replacement and maintenance purposes only. The licensing authority will consider such applications for essential machinery, machine tools or equipments which are not produced indigenously and are recommended by the sponsoring authority within the monetary ceiling indicated to such authorities. The sponsoring authority before recommending the licence, should obtain indigenous clearance from the S.S.I. Committee in the office of the D.C. (SSI). The applications for licences in such cases should be made to the regional licensing authorities concerned through the sponsoring authority in the prescribed form 'B' as given in Appendix 9 to this book.

(2) The applications from Garment making industry for the import of spares and machines for replacement or expansion purposes and for setting up new units will be considered by the Joint Chief Controller of Imports and Exports, Bombay on the basis of the recommendations made by the Textile Commissioner within the monetary ceiling allocated to him. Such applications should be made to the licensing authority through the Textile Commissioner in the prescribed form 'B' as given in Appendix 9 to this book.

(3) The parties who obtain supplies of drugs and medicine in bulk and are engaged in the process of re-packing and re-bottling the drugs and medicines in small containers, are not covered by the definition of actual users as given in this book as they are not engaged in an industrial production. However, in terms of the Drugs and Cosmetics Act, 1940 the process of manufacture includes the process of repacking or re-bottling of drugs. Also, persons or firms engaged in such activities are required to possess a licence under the said Act, and are also required to test the products either in their own laboratories or other approved laboratories. In view of this, the sponsoring authority concerned may entertain an application for licence from such parties for the import of materials required by them for repacking and re-bottling. The applications will be considered only from those parties who have a licence under the Drugs and Cosmetics Act, 1940 for the manufacture of re-packing of drugs. The application should be made by such parties in the form prescribed for the category of the actual user concerned through the sponsoring authority and licences will be issued by the licensing authority concerned on the basis of recommendation of the sponsoring authority within the monetary ceiling indicated to the latter.

(4) Applications from Actual users for the import of proto-types will be considered by the licensing authority concerned on the basis of the recommendations of the sponsoring authority. The applications should be made through the sponsoring authorities concerned.

90. *Change in the name, constitution or ownership of actual user's business.*—(1) No approval of the Import Control authorities is necessary for effecting a change in the name, constitution or ownership of an actual user's business.

(2) However, the import licences being non-transferable except under and in accordance with the written permission of the licensing authority which granted the licence or of any other person empowered in this behalf by such authority, and in view of the specific conditions regarding the use of the imported materials as imposed on the licences granted to actual users, the following principles will apply in the event of the changes mentioned in sub-para (1) above:—

- (a) *Change of name*.—Where an import licence has been issued to an actual user and before the importation of the goods against the said licence, there is a change in the name of the licensee actual user's manufacturing business without any change in the ownership of factory for which the said licence was issued, the licence holder can utilise the licence and import the goods for use in the factory in accordance with the conditions of the licence. But the change in name should be intimated immediately by the actual user licensee to the licensing and sponsoring authorities concerned whether such change takes place before or after the importation of the goods.
- (b) *Change in constitution or ownership*.—(i) Where an import licence has been issued to an actual user and, before the importation of the goods against the said licence, there is a change in the constitution/ownership of the licensee actual user's manufacturing business/factory, the reconstituted concern or the new owner of the business as the case may be, not being the licence holder, cannot operate upon the said licence unless the licence is also transferred in his favour. In such cases, the old and the new owners of the factory for which the licence was issued, should make a joint application to the licensing authority concerned for permission to transfer the licence in favour of the reconstituted concern or the new owner in terms of sub-clause 5(3)(i) of the Imports (Control) Order 1955, dated the 7th December, 1955. The application should be supported by documentary evidence showing the transfer of the business/factory and the particulars of the established importer quotas, if any, possessed by the new owner. The licensing authority will consider the application for transfer of licence and grant the transfer in favour of the reconstituted concern or the new owner provided the reconstituted concern or the new owner of the factory is not suspended/debarred from the grant of the licence in question under the provisions of the Imports (Control) Order 1955, dated the 7th December, 1955 and is otherwise eligible to the licence under para 202 of this book. After the written permission of the licensing authority, the reconstituted concern or the new owner will be entitled to operate upon the licence. If, in such a case, the name of the business mentioned in the licence has also undergone a change, the licensing authority, while permitting the transfer, will also amend the name of the licence holder in the licence. The necessary intimation about the transfer will be sent to the sponsoring authority concerned.

- (ii) If the change in constitution/ownership referred to in sub-para (i) above takes place after the importation of the goods against the said licence, the imported goods become part of the assets of the licensee actual user's manufacturing business/factory and they should be transferred by the licence holder along with his manufacturing business/factory to the reconstituted concern or the new owner as the case may be. The licensee should also give necessary intimation about the transfer to the licensing authority who had issued the licence against which the goods in question were imported and also to the sponsoring authority who had recommended the licence so that they may be in a position to watch proper utilisation of the imported goods in the factory for which the import licence was issued.
- (c) *Division of business.*—(1) Where an import licence has been granted to an actual user, and before the importation of the goods against the said licence, there is a division of the factory amongst the partners of the business, and the name of the business/factory as appearing in the licence is retained by one of the succeeding parties or none of them is allowed to use such name, the succeeding parties, not being the licence holders, cannot operate upon the said licence. In such cases also, joint application by all the succeeding parties should be made to the licensing authority concerned for re-issue of separate licences in their favour, in lieu of the original licence, in proportion to the portion of the factory taken over by each succeeding party, supported by documentary evidence showing the division of the business/factory and particulars of the established importer quota, if any, possessed by the succeeding parties. The licensing authority will consider the application in the same manner as in the cases referred to in sub-para (b) (i) above and licences, if admissible, will be issued to the succeeding parties for the proportionate values as indicated above. The original licence surrendered by the parties will be retained by the licensing authority and cancelled. The necessary intimation will be sent about this to the sponsoring authority concerned.
- (ii) If the division of the factory as referred to in sub-para (i) above, takes place after the importation of the goods against the said licence, the imported goods become part of the assets of the factory and they should be divided by the succeeding parties amongst themselves proportionate to the portion of the factory taken over by them, under intimation to the licensing and sponsoring authority concerned so that they may be in a position to ensure proper utilisation of the imported goods by each of the succeeding units in the factory taken over by them from the original concern.
- (3) The applications for transfer in pursuance of the provisions of sub-para 2(b) (i) and 2(c) (i) should be made to the licensing authority who had issued the licence against which the goods in question were imported and such application should be made through the sponsoring authority who had recommended the licence.

(4) If, as a result of the change in the constitution or ownership of a manufacturing business or division of manufacturing business, referred to in sub-para (2) of this paragraph, an existing manufacturing unit takes over either whole or part of any manufacturing business and the installed capacity of the existing unit for the manufacture of any particular end-product is increased thereby, then in such cases, the existing unit should take over the manufacturing business in pursuance of the provisions of sub-para (2) of this paragraph only with the approval of the sponsoring authority concerned. The concerned sponsoring authority in such a case will be the sponsoring authority connected with the manufacturing business whose installed capacity is going to be increased. In such cases, the application for transfer made to the licensing authority under sub-paras 2(b)(i) and 2(c)(i) of this paragraph should also be supported by the recommendation of such concerned sponsoring authority.

(5) It may be clarified that the provisions of sub-paras (1) to (4) of this paragraph are applicable to cases where there is a change in the name, constitution or ownership of the manufacturing business/factory of an actual user concern or where there is a division of the manufacturing business/factory. These provisions have no application in cases where a part of the factory, or imported machinery, is sold by an actual user or where imported raw materials/components/spares are sold by an actual user without selling away his manufacturing business/factory for which the materials in question were allowed to be imported. Such sales of part of factory, or imported machinery, or imported raw materials/components/spares, amount to violation of conditions subject to which licences are granted to actual users. Therefore, the actual user should obtain the prior written permission of the Import Trade Control authority for such sale explaining the circumstances in which the necessity of sale has arisen. In such cases, the imported goods will have to be sold by the actual user in favour of a party nominated by the Import Trade Control Authority and at the price fixed by him.

91. No applications for import of raw materials by the Fire Works Industry both in the scheduled and non-scheduled sectors for the manufacture of fire works will be entertained by the licensing authorities unless the applicants produce documentary evidence to the effect that they are in possession of a valid licence under the Explosives Act.

91-A. The small scale industries desiring to import Testing equipment against their licences for raw materials, components and spare parts may apply to the licensing authority concerned for a suitable endorsement on their licences for this purpose. The licensing authority will consider the request on merits and may allow import of Testing equipment upto 10 per cent. of the face value of the licence for raw materials, components and spare parts provided the total value of such import in each case does not exceed Rs. 15,000.

91-B. Manufacturers/assemblers who have a manufacturing programme for complete machinery can, if they so desire, use a part of the licence for component parts held by them for the import of spare

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parts for which there is no indigenous angle and/or for which the manufacturers/assemblers have no phased programme of manufacture, provided they do not require any extra foreign exchange for their manufacturing programme. Such of the assemblers who wish to avail of this facility should approach the Chief Controller of Imports and Exports, New Delhi (Headquarters Licensing Division) for necessary endorsement on their valid licences for component parts giving details of spare parts sought to be imported and the value thereof.

**AMENDMENTS TO CHAPTER V ON “CAPITAL GOODS/HEP AND MACHINE TOOLS”**

1. Paragraph 95 may be amended to read as under :—

“95. *Applications for Capital Goods.*—(1) With a view to expediting the disposal of applications for import licences for Capital Goods, a separate division exists in the office of the Chief Controller of Imports and Exports, New Delhi.”

(2) Applications for import licences for Capital Goods should be made, in duplicate, in the application form prescribed in the relevant Import Trade Control Policy Book (Form ‘E’) together with 5 copies of the list of goods proposed to be imported.

(3) The applications for import of machinery coming within the purview of the Capital Goods Scheme, should be addressed to the following licensing authorities :—

- (i) *Joint Chief Controller of Imports and Exports (Capital Goods), Bombay.*—For all cotton textile machinery and hosiery knitting machinery and spares thereof, of the description given in Appendix (13) to this book as also all Textile Machinery and spares (except for Jute and Hemp) falling under S. Nos. 4(1), 4(2), 4(3), 4(4), 4(5) and those specified against S. No. 5(1) of Part III under sub-para 92(3) above.
  - (ii) *Joint Chief Controller of Imports and Exports (Capital Goods), Calcutta.*—For Jute and Hemp Machinery and spares, falling under S. Nos. 36 and 37 of Part II, and plant and machinery connected with Coal Mining and Tea Industry.
  - (iii) *Chief Controller of Imports and Exports (Capital Goods), New Delhi.*—For all other machinery and plant coming within the purview of Capital Goods Scheme. The applications for values in excess of (i) Rs. 2·0 lakhs for import from countries other than U.S.A. and rupee payment area, (ii) Rupees 5·0 lakhs for import from U.S.A. and (iii) Rupees 20·0 lakhs for import from rupee payment area, will be considered in consultation with the Ministry of Industry and Supply (Department of Industry) New Delhi.
- (4) The applications under sub-para (3) above should be made to the licensing authorities concerned in the manner detailed below :—
- (a) applications from Scheduled Industries borne on the books of the Directorate General of Technical Development, should be sent through the Deputy Director (Co-ordination), Directorate General of Technical Development, Udyog Bhavan, New Delhi.

- (b) Applications from small scale units should be made through the sponsoring authority concerned and the Development Commissioner, Small Scale Industries, New Delhi. The applicant should send his application to the sponsoring authority concerned who will forward the same with his recommendation to the Development Commissioner, Small Scale Industries, New Delhi.
  - (c) Applications from scheduled industries not borne on the books of the Directorate General of Technical Development and non-scheduled industries other than Small Scale, should be sent through the sponsoring authority concerned. The sponsoring authority will send the application to the licensing authority concerned with his recommendation.
  - (d) Notwithstanding anything contained in sub-para (a), (b) and (c) above, all applications for import of capital goods required for setting up additional capacity in respect of certain industries categorised as 'Key' industries [mentioned in Appendix (14) to this book] should be sent through the Co-ordination and Licensing Progress Section. (CLP Section) in the Ministry of Industry and Supply, New Delhi with ten spare copies.
- (5) Procedure for submission of applications for import of machinery not covered by Capital Goods Scheme. The applications for import of machinery and plant which do not fall within the purview of the Capital Goods Scheme should be made in the following manner :—
- (i) Applications from small scale units for import of Machinery valued upto Rs. 5,000 should be made to the regional licensing authority concerned through the sponsoring authority concerned in the prescribed form (Form 'B') as given in Appendix 9 to this book and also in the relevant Import Trade Control Policy Book.
  - (ii) Applications from small scale industries exceeding Rs. 5,000 in value and those from other actual user for any value should be made in the prescribed form (Form 'E') to the licensing authorities mentioned in sub-para (3) above and in the manner indicated in sub-para (4) above. The application should be accompanied by 5 copies of the list of items sought to be imported.
- (6) The applications should be accompanied by (i) I.V.C. Registration/exemption number, (ii) Treasury Receipt towards the payment of requisite application fee on the value applied for, (iii) In the case of applications from small scale units for import of Capital Equipment for replacement purposes, a certificate from the National Small Industries Service Institute to the effect that the replacement of machinery is inescapable, should also be furnished, and (iv). Any other document/information considered necessary or required in terms of the policy in force.

2. Paragraph 106 may be amended to read as under :—

*“106. Negotiations of loans by importers with foreign financing institutions require prior approval in principle of Government.—Direct negotiations of loans by importers with foreign financing institutions require the prior approval in principle of Government. Such requests should be addressed to the administrative Ministry concerned or to the Chief Controller of Imports and Exports (Capital Goods Division), New Delhi, indicating the value of the equipment, the purpose for which it will be imported, the proposed country or countries of import, the value of imported raw materials/components that will be required annually after going into production, and the particulars of the manufacturing licence, if any, under the Industries (Development and Regulation) Act that may be held for the project.*

3. In para. 113 (1), the word “Triplicate” may be substituted by the word “Duplicate”.

4. Paragraph 120 may be amended to read as under :—

*“120. Submission of applications.—(1) The Established Importers should make applications to the regional licensing authority concerned in terms of the policy announced in the relevant Import Trade Control Policy Book. The applications should be submitted in duplicate in the form prescribed in the relevant Import Trade Control Policy Book (Form ‘A’) with a list of items in the proforma appearing in the Annexure to Appendix 11 to the relevant Import Trade Control Policy Book.*

(2) Actual users in the small scale sector should also make applications for import of permissible machine tools upto Rs. 5,000 to the regional licensing authority concerned, as provided in paragraph 81 of this book. The applications should be made in duplicate in the prescribed form (Form ‘B’) and should be sent through the sponsoring authority concerned. The sponsoring authority will forward the application to the licensing authority concerned with his recommendation.

(3) The applications from (i) Small Scale Units for import of banned types of machine tools and those for permissible types of machine tools for values exceeding Rs. 5,000 and below Rs. 1 lakh and (ii) other actual users for values below Rs. 1 lakh should be made in the prescribed form ‘E’ to the Chief Controller of Imports and Exports, New Delhi. The application should be accompanied by 5 copies of the list of items sought to be imported.

(4) The applications under sub-para (3) above should be made in the manner indicated below :—

(a) The Scheduled Industries borne on the books of the Directorate General of Technical Development should



send their applications through the Deputy Director (Co-ordination), Directorate General of Technical Development, Udyog Bhavan, New Delhi.

- (b) The Small Scale Industries should make their applications through the sponsoring authority concerned and the Development Commissioner, Small Scale Industries, New Delhi. The applicant should send his application to the sponsoring authority concerned, who will forward the same with his recommendation to the D.C. (SSI), New Delhi.
- (c) Scheduled industries not borne on the books of the D.G.T.D. and non-scheduled industries other than Small Scale should send their applications through the sponsoring authority concerned.
- (5) The applications should be accompanied by (i) I.V.C. registration/exemption number, (ii) Treasury Receipt showing the payment of the requisite amount of application fee, and (iii) Any other information/document considered necessary or required in terms of the policy in force.
- (6) All actual users should include their requirements for import of spares of Machine Tools in their consolidated applications for import of raw materials, components and spare parts.

5. Paragraph 125 may be amended to read as under :—

*"125. Spares for banned Machine Tools.—The applications for spares of such Machine Tools as are banned will be considered in consultation with the Development Officer (Tools) in the Directorate General of Technical Development, New Delhi."*

6. In paragraph 126, the following may be added at the end:—

*"The applications for licences should be made to the Chief Controller of Imports and Exports, New Delhi."*

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#### **AMENDMENTS TO CHAPTER VII ON 'REPLACEMENT' LICENCES.**

- 1. The existing clause in para. 146 may be numbered as (1).
- 2. After sub-clause (1) in para. 146 as so numbered, the following sub-clause may be inserted:—
  - "(2) Where an importer accepts the damaged or defective goods on an allowance allowed to him either by the supplier or by the insurance company, the importer will not be entitled to the grant of replacement licence in respect of the goods so accepted."*

### AMENDMENTS TO CHAPTER VIII ON "PERIOD OF VALIDITY AND REVALIDATION OF LICENCES"

1. In paragraph 147, sub-para (3) may be amended to read as under:—

"(3) The period of validity as given in the Import Trade Control Policy Book, as stated above, relates to licences granted on six monthly basis. The annual licences where granted, will also have an initial validity period applicable to six monthly licences. Where according to the Import Policy in force, an annual licence is required to be presented to the licensing authority for endorsement for utilisation of the second half of the value of the licence, the licensing authority will, at the time of the endorsement (where such endorsement is granted), extend the validity period of the licence by six months to enable the licensee to utilise the second half of the value of the licence."

2. In paragraph 151, sub-para (1), the following may be added at the end:—

"While applying for revalidation, the applicant should specifically indicate the amount for which commitment has been made and the amount which has been utilised during the initial period of validity of the licence."

3. Paragraph 152 may be amended to read as under:—

"152. Licensing authorities to whom application for revalidation should be made:

- (1) Subject to the additional facility as provided in sub-paras (2), (3) and (4) below, the request for revalidation of a licence should be made to the licensing authority who issued the licence.
- (2) The request for first revalidation of actual user licences granted to industrial units borne on the books of the Directorate General of Technical Development, will be entertained by all the regional licensing authorities. The requests for second and subsequent revalidation in respect of such licences, should be made to the licensing authority who issued the licence, through the Directorate General of Technical Development. The Directorate General of Technical Development will forward the application for revalidation to the licensing authority concerned with their recommendation.
- (3) The request for revalidation of actual user licences other than those referred to in sub-para (2), established importer licences and licences granted under the export promotion scheme, issued by any licensing

authority, will be entertained by all the regional licensing authorities.

- (4) In the case of CG/HEP licences other than those issued against tied credits, the requests for revalidation upto one year will also be entertained by all the regional licensing authorities. Requests for revalidation beyond this period should be made to the licensing authority who issued the licence."

**AMENDMENTS TO CHAPTER X ON "LETTER OF AUTHORITY"**

1. Paragraph 163 may be amended to read as under:—

"163. A licensee who desires another party to indent the goods from abroad or open a letter of credit or make remittances or to import the goods on his behalf against any particular licence issued to him, should apply for a letter of authority in favour of such party in respect of that licence. Such application should be made to the licensing authority who issued the licence. However, in the case of licences other than those issued under various credits/loans, the application for the grant of letter of authority can be made to any regional licensing authority also."

## AMENDMENTS TO CHAPTER XI ON "EXEMPTIONS FROM I.T.C. RESTRICTIONS"

1. Paragraph 173 may be amended to read as under:—

"173. (1) Under Open General Licence No. IV (Reproduced in Appendix 15) as amended, *bona fide* technical and trade samples or advertising matter excepting vegetable seeds falling under Serial No. 36 of Part IV of the I.T.C. Schedule and New Drugs can be imported without any import licence provided (a) they are supplied free of charge, (b) their c.i.f. value in one consignment does not exceed Rs. 500 in the case of technical and trade samples and Rs. 250 in the case of advertising matter, and (c) the samples or advertising materials thus imported shall not be sold by the importer. Under this concession, the Customs authorities may allow clearance under Open General Licence No. IV of the permissible samples and advertising matter even if the importer concerned may have to pay for freight and insurance charges provided the overall value of the samples or the advertising matter including freight and insurance charges does not exceed the limits indicated above in one consignment. In such an event, the Collector of Customs will suitably endorse the relative bill of entry to enable the importer to secure remittance facilities from the Reserve Bank of India in respect of the freight and insurance charges.

(2) A question has been raised whether several consignments of *bona fide* technical and trade samples or advertising matter for value not exceeding Rs. 500 in the case of technical and trade samples and Rs. 250 in the case of advertising matter in each consignment sent by the same supplier to the same consignee and received by the same mail should be treated as one consignment or different consignments for purposes of clearance under OGL IV. It has been decided that the import of several consignments in the manner indicated above (although each consignment does not exceed the specified value limits) will tantamount to circumvention of ceiling placed for imports of *bona fide* trade and technical samples or advertising matter in one consignment and will not, therefore, qualify for the concession given in the OGL.

(3) Though the above OGL does not specify any particular types of importers who are eligible to import the samples, it is clarified that only such importers as are connected with the production or commercial sale or distribution of goods are expected to be supplied with free samples/advertising materials by the foreign suppliers. It has, therefore, been decided that importers who are not connected with the production or commercial sale or distribution will not be allowed the above concession. However, the Export Promotion Councils may also be allowed the concession regarding the import of technical and trade samples under OGL IV by the Customs authorities.

(4) OGL IV also permits (a) the import of free gifts of books of certain types upto the value of Rs. 250 in favour of industrial concerns and (b) free gifts of trade catalogues and circulars upto the value of Rs. 250/-.

2. In paragraph 174, sub-para (2) may be amended to read as under :—

“(2) Where the value of the articles so imported is Rs. 50 or more, but not exceeding Rs. 500, and the Export Promotion Council concerned or the sponsoring authority with whom the importer has been registered as an exporter under Export Promotion Scheme, certify the requirement of the importer based on the orders received by him from abroad, the Collector of Customs may, on the basis of such certification, allow the imports in bona fide cases.

(3) Where the value of articles so imported is more than Rs. 500, the importer concerned should approach the licensing authority at the port and the grant of customs clearance permit in such cases will be considered by the licensing authority on merits in bona fide cases after taking suitable bond from the importer that the goods covered by the Customs clearance permit will be utilised for export orders to be executed and the goods exported within a period of six months”.

**AMENDMENTS TO CHAPTER XII ON “BREACHES OF IMPORT  
TRADE CONTROL REGULATIONS”**

1. In paragraph 180, sub-clause (xxxi) may be amended to read as under :—

“(xxxi) Applying for an import licence under the Export Promotion Scheme on the basis of the exports which are over-invoiced in relation to the value having the meaning as defined in sub-section (1) of Section 14 of the Customs Act 1962, or non-fulfilment of the conditions of undertaking/bond furnished by the applicant to the licensing authority or failure to fulfil export obligation against the imports made under the Export Promotion Scheme”.

2. Paragraph 181 may be amended to read as under :—

“181. Where a licence has or had been issued at any time provisionally or through error or inadvertance or is in excess of the licence holder's entitlement or has been obtained by mis-representation or contrary to rules and regulations in force, it will be open to the licensing authority to set off the value of such licence or adjust the same against the licence holder's subsequent entitlements under any category for that item or any other item or items without prejudice to any other action that may be taken in this behalf”.

**AMENDMENTS TO CHAPTER XIV "MISCELLANEOUS"**

1. The following paragraph may be added at the end :—

"217. "Counter" system. The requests for amendments of minor nature or revalidation of licences which do not require detailed examination, and requests for issue of letter of authority, correction in the lists of goods, affixing security seal on the licence or on the lists of goods and other matters of minor nature like signatures of the licensing authority below the condition on the licence or on the lists of goods attached to the licence, will also be entertained at the "Counter" in the licensing office concerned. For this purpose the "Counter" system has been introduced in the licensing offices. The applications will be received at the "Counter" against a proper receipt and the applicant will be given a fixed date for collecting back the licence on production of the said receipt".



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AMENDMENTS TO APPENDICES

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## AMENDMENTS TO APPENDIX 2

**AMENDMENTS MADE TO IMPORTS (CONTROL) ORDER, 1955  
(UPTO 7th JULY 1965)**

1. In sub-clause (2) of clause 10-B, the words, figures and letters "subject to the provisions of clause 10-C" have been inserted at the beginning.

2. After clause 10-B, as so amended, the following clause has been inserted:—

*"10-C. Power to make directions for the sale of imported goods in certain cases.*

(1) Where, on the importation of any goods or at any time thereafter, the Chief Controller of Imports and Exports is satisfied, after giving a reasonable opportunity to the licensee of being heard in the matter, that such goods cannot be utilised for the purpose for which they were imported he may, by order, direct the licensee or any other person having possession or control of such goods to sell such goods to such person, within such time, and at such price, as may be specified in the direction.

(2) The price that may be specified under sub-clause (1) shall be the aggregate of the landed cost of the goods, clearing and transportation charges and such other incidental charges incurred in relation thereto as are considered reasonable in the circumstances of the case by the Chief Controller of Imports and Exports.

(3) The licensee or the person to whom any direction has been made under sub-clause (1) shall be bound to comply with such direction."

3. In clause 11, for sub-clause (n), the following sub-clause has been substituted:—

"(n) being vehicles as defined in Article I of the Customs Convention on the Temporary Importation of Private Road Vehicles or the component parts thereof referred to in Article 4 of the said convention and are exempt from payment of customs duty under the notification of the Government of India in the Ministry of Finance (Department of Revenue) No. 224, dated the 3rd August, 1958, as subsequently amended, provided that—

(i) such vehicles or component parts are re-exported within the period specified in the said notification or within such further period as the customs authorities may allow.

- (ii) the provisions of the said notification or of the 'Trip-tyque' or 'Carnet-De-Passage' permit are not contravened in relation to such vehicles or component parts, failing which the provisions of this Order shall apply to such vehicles or component parts and such vehicles or components shall be deemed to be goods, the import of which has been prohibited under the Customs Act, 1962 (52 of 1962):"

**AMENDMENTS TO SCHEDULE I TO IMPORTS (CONTROL)  
ORDER, 1955 (UPTO 7th JULY 1965)**

1. In Part I, against S. No. 51, for the entry in column (3), the following entries have been substituted :—

“70 (1) and 70 (7).”

2. In Part II for Serial Numbers 36-B, 45 and 46 and the entries relating thereto the following Serial Numbers and entries have respectively been substituted :—

1	2	3
36-B.	The following Hardware, ironmongery and tools, namely, agricultural implements, not otherwise specified, and pruning-knives and parts thereof.	71(1)
45.	The following electrical instruments, apparatus and appliances excluding automatic blackout control switches, and parts thereof not otherwise specified, namely:—  Electrical Control Gear and Transmission Gear, namely switches (excluding switch boards) fuses and current breaking devices of all sorts and descriptions designed for use in circuits of less than ten amperes and at pressure not exceeding 250 volts; and regulators for use with motors designed to consume less than 187 watts; bare or insulated copper wires and cables any one core of which, not being one specially designed as a pilot core, has a sectional area of less than one-eightieth part of a square inch and wires and cables of other metals of not more than equivalent conductivity and line insulators, including also cleats, connectors leading in tubes and the like, of types and sizes such as are ordinarily used in connection with the transmission of power for other than industrial purpose and the fittings thereof but excluding electrical earthware and porcelain otherwise specified.	73(1) and 72(12)
46.	The following Electrical instruments, Apparatus and Appliances namely, telegraphic and telephonic instruments, ap-	73(2), 73(8) and 73(14).

1	2	3
	paratus and appliances not otherwise specified, flash lights carbons condensors and bell apparatus and switch-boards, designed for use in circuits, of less than ten amperes and at pressure not exceeding 250 volts and parts thereof.	

3. In Part III, against S. No. 5-A, for the entry in column (3), the following entry has been substituted:—

“48 (c), 48 (1), 72 (1) and 72 (3).”

4. In Part IV for Serial Numbers 152, 155, 267, 268, 275, 276, 279, 305, 325, 328 and 329 and the entries relating thereto the following Serial Numbers and entries have respectively been substituted:—

1	2	3
152.	Furniture and cabinet ware, and parts thereof, not otherwise specified, excluding mouldings.	40 (2)
155.	Furniture of Wickerwork or bamboo, and parts of such furniture, not otherwise specified.	42
267.	Domestic hardware and stoves made of aluminium and parts thereof.	71 and 71 (9).
268.	Domestic hardware and stoves not made of aluminium and parts thereof.	48 (3), 71 and 71 (9).
275.	Hardware, ironmongery and tools, all sorts, not otherwise specified in this Schedule, and parts thereof, excluding tools and agricultural implements.	61 (11) and 71.
276.	Buckets of tin or galvanised iron and parts thereof.	71 (1)
279.	Metal furniture and cabinetware and parts thereof.	71 (3)
305.	Photographic instruments, apparatus and appliances, other than cinema, all sorts, not otherwise specified, and parts thereof.	77 (5)
325.	Toys, games, playing cards and requisites for games and sports, bird shot, toy cannons air guns and air pistols and parts thereof, for the time being excluded in any part of India from the operation of all the prohibi-	84 and 84 (1)

1	2	3
	tions and directions contained in the Arms Act, 1959, and bows and arrows and parts thereof excluding rubber balls, football bladders, balloons and toys.	
328.	Smokers' requisites-Pipes and parts thereof.	85 (1)
329.	Smokers' requisites, parts thereof excluding those made of aluminium, tobacco, matches and pipes.	85 (1)

5. In Part V, for Serial Numbers 78, 79, 92, 93 and 94 and the entries relating thereto, the following Serial Numbers and entries have respectively been substituted:—

1	2	3
78.	Electrical instruments, apparatus and appliances, not otherwise specified in this Schedule (excluding telegraphic and telephonic) and parts thereof, not otherwise specified.	73
79.	Electro-medical apparatus and parts thereof, not otherwise specified including ultra violet and infra-red lamps for medical treatment.	73 (9)
92.	Instruments, apparatus and appliances and parts thereof, including cinematographic and parts thereof, other than electrical but excluding articles otherwise specified in this Schedule.	77
93.	Optical, Scientific, Philosophical and Surgical Instruments, apparatus and appliances and parts thereof not made of rubber.	77 (2), 77 (4), 77 (6) and 77 (7).
94.	Optical, Scientific, Philosophical and Surgical Instruments, apparatus and appliances and parts thereof made of rubber.	77 (2), 77 (4), 77 (6) and 77 (7).

**AMENDMENTS TO SCHEDULE III REGARDING  
APPLICATIONS FEES**

1. The entry No. 5 may be read as under :—

5. Where the value of the goods specified  
in the application does not exceed  
Rs. 80,000.

70

2. The following shall be added after entry No. 11:—

12. In respect of applications for im- port licences made by the in- dustrialists in respect of units in Kandla Free Trade Zone.	Fifty percent. of the amount of fees men- tioned against items 1 to 8.
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**AMENDMENTS TO APPENDIX 3**

1. In paragraph 7, sub-clause (i), the word "five" may be inserted in between the words "previous years".

2. Paragraph 8(b) may be amended to read as under :—

8(b). Where in cases falling under paragraph 7 the applicant is a "Private Limited Company", "Public Limited Company", "Partnership Concern", "Proprietary Concern", "Association of Persons", the applications for exemption numbers should be accompanied by the following documents :—

- (i) Private Limited Companies—IVC/affidavit only from Directors/Shareholders who hold more than 10 per cent. of the shares of company or the value of whose holding is Rs. 10,000 or above, about their income from all sources for the past five years.
- (ii) Public Limited Companies—Incorporation Certificate and Certificates to prove that this is a Public Limited Company.
- (iii) Partnership Concerns—Association of Persons (other than Co-operative Societies)—Income-tax Verification Certificates or Affidavits of all partners/members of Association of persons about their income from all sources for the last five years.
- (iv) Proprietary Concerns—Income-tax Verification Certificates or Affidavit of the proprietor about his income from all sources for the past five years. (No affidavit need be filed in respect of cases covered by paragraph 8(a) (2).
- (v) Co-operative Societies—Registration Certificate from Registrar of Co-operative Societies to prove that this is a Co-operative Society.

3. Paragraph 16 may be deleted.

4. Annexure I may be substituted by the following :—

## ANNEXURE I

*Form of Certificate of Income-Tax Assessment to be produced by an Applicant for Import and Export Licence.*

1(a). Trade name and address of the assessee (in case of Registration Numbers) the applicant (in case of Exemption Numbers).

(b) Names of branches if any of 1(a) with their addresses.

2. Name and address of the person making this application and the interest he has in 1 above.

3. Year in which the business was established.

4. Status for purpose of Income-Tax Assessment:—

- (i) Individual.
- (ii) Hindu Undivided Family.
- (iii) Company.
- (iv) Firm.
- (v) Association of persons.

5. The Income-tax Circle/Ward/District in which the applicant is assessed to Income-tax.

6. 'Line or Lines' in which the applicant is doing business (by Major Heads).

7. Reference No. (of G.I.R.) of the assessment.

8(a) Where maximum Income-tax paid during any one of the past five years was:—

- (a) Upto Rs. 100.
- (b) From Rs. 101 to Rs. 249.
- (c) From Rs. 250 to Rs. 499.
- (d) From Rs. 500 to Rs. 999.
- (e) From Rs. 1,000 to Rs. 4,999.
- (f) From Rs. 5,000 to Rs. 9,999.
- (g) From Rs. 10,000 and above.

NOTE.—The above entries may be completed also in the case of firms registered under the Income-tax Act, 1961 with reference to the tax that would be payable if assessed as an unregistered firm.

(b) In case no final assessment has been made it should be stated whether tax paid in advance (or payable) on the basis of

ANNEXURE I—*contd.*

return filed under sections 139(1), (2), 141 and 212(3) of the Income-tax Act, 1961 was :—

- (a) Upto Rs. 100.
- (b) From Rs. 101 to Rs. 249.
- (c) From Rs. 250 to Rs. 499.
- (d) From Rs. 500 to Rs. 999.
- (e) From 1,000 to Rs. 4,999.
- (f) From Rs. 5,000 to Rs. 9,999.
- (g) From Rs. 10,000 and above.

NOTE.—The above entries may be completed also in the case of firms registered under the “Income-tax Act, 1961” with reference to the tax that would be payable if assessed as an unregistered firm.

9. Please attach a list of :—

- (a) Partners with their addresses if the concern is a firm.
- (b) Persons with their addresses if the concern is an association.
- (c) Adult male members if it is a family concern.
- (d) In case of Private Limited Companies the names of all shareholders including the directors with their addresses.
- (e) In case of Public Limited concerns certificate of incorporation and certificate to prove that the firm is a Public Limited Company.
- (f) Registration certificate from the Registrar of Co-operative Societies to prove that this is a Co-operative Society.

10. State the I.V.C. Registration/Exemption number allotted to the applicant by the I/ETC licensing authorities :—

- (i) during the last two licensing periods; and
- (ii) during the current licensing period (in case one has already been allotted).

11. Number and date of the application, if any, already made to the licensing authority for the allotment of I.V.C. number during the current period.

12. I declare that the above mentioned information is correct and complete to the best of my information and belief.

Signature of the Applicant or  
his authorised Agent.

(1) Name in Block letters.....

(2) Full Residential Address.....

.....

## ANNEXURE I—contd.

(To be filled by the Income-tax Officer)

## 1. This is a case for allotment of Registration Number.

In my opinion the applicant mentioned above Mr./Messrs.....  
 .....has been doing everything  
 possibly to pay the tax demands promptly and regularly and to  
 facilitate the completion of the pending or outstanding proceedings.  
 The certificate is valid for one year from the date of issue.

## 2. This is a case for allotment of Exemption Number.

- \* (i) The partners of the firm/members of the Association of persons (other than Co-operative Societies) are either regular tax payers or have filed the prescribed affidavits, the facts stated in which have been verified.
- \* (ii) The Directors of.....which is a Private Limited Company are either regular tax payers or have filed the prescribed affidavits, the facts stated in which have been verified.
- \* (iii) M/s.....which is a Public Limited Company have filed the incorporation certificate and the certificate to prove that it is a public limited company.
- \* (iv) Shri.....of.....(which is a Proprietary concern) is either a regular tax payer or has filed an affidavit in the prescribed form, the facts stated in which have been verified.
- £\*(v) Refugee Registration Card or Camp Commandant's certificate has been examined and duly endorsed by me.
- \* (vi) Shri.....has been submitting his income-tax returns for the past five years in the status of an individual/HUF but no tax was levied as the income was below taxable limit.
- \* (vii) .....which is a Co-operative Society has filed the Registration Certificate from the Registrar of Co-operative Societies to prove that this is a Co-operative Society.

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(\*) Strike out those not applicable.

(£) Applicable to those displaced individuals or firm who have entered India within one year from the date of this application.

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The case has been entered in our registers and I have no objection to an Exemption Number being allowed in this case for a period of one year from this date.

(Signature of the Income-tax Officer)  
 Circle/Ward/District.

SEAL

**AMENDMENTS TO APPENDIX 9**

Appendix 9 may be substituted by the following:—

**FORM 'B'**

Form of application for import of goods (other than those falling under the C.G. licensing procedure) by Actual Users who are not borne on the books of the Directorate General of Technical Development.

**PART I**

*(To be filled in by the applicant for use in the Licensing Office).*

**A. Particulars of applicant:**

1. Name of the applicant.
2. Full Postal Address.
  - (i) House/Shop No.
  - (ii) Name of Street/Road.
  - (iii) Name of locality.
  - (iv) Name of State.
3. Telegraphic Address.
4. Address of location of factory.

**B. Particulars of application:**

1. Registration No. allotted to Income Tax Verification certificate or Exemption, therefrom.
2. Treasury Receipt No. and date (Treasury Receipt to be attached in original).
3. Licensing period in respect of which application is made.
4. Where shipment is to be effected from a country different from the country in which the goods originated, full statement of reasons for the same should be given.
5. Is a letter of authority desired? If so, name of the firm in whose favour it is desired.

*(NOTE: Documentary evidence as required should be furnished).*

**C. General Information to be furnished:**

1. Date of Establishment of business in India.
2. Nature of the concern, whether Public Company or Private Company, Partnership or Hindu undivided family concern.

3. Names of Directors, Partners, Proprietor, or Karta as the case may be.
4. Details of branches or associated companies (Name and locations):—
  - (i) In India.
  - (ii) Abroad.
5. Has any application been already made by the applicant for goods falling under the same S. No. or sub-item of Serial No. for the same period from any country in any category? If so, give details.
6. Have any branches or associate companies mentioned in (4) or any of the gentlemen named in (3) applied for an import licence for import of goods falling under the same serial number or sub-item of serial number for the same period?
7. Is any branch/associate concern of applicant holding an Established Importer quota for particular item/items covered by this application? If so, details of quota certificates/Established Importers licences may be given.
8. The Customs House where the import licence, if granted, will be registered.
9. Full details of the enclosures attached with the application. (Every copy of the document should be marked as a true copy and signed beneath by the applicant).

## PART II

*(To be filled in by the applicant for use by the sponsoring authority).*

1. Name of the Industry and the purpose for which the raw materials/components are required.
2. Description of goods manufactured.
3. Production capacity.
4. Actual production in the preceding two years.
5. Estimated production in ensuing year.
6. Capital investment:
  - (i) Machinery and equipment (Details of machinery to be attached).
  - (ii) Land and buildings or rent of premises.
7. Registration No. allotted by the State Director of Industries.

8. Particulars of raw materials/components and spare parts to be imported:—

Item No. & I.T.C.S. No.	Quantity/Number	Value (c.i.f.)
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9. Particulars of licences issued and imports effected during the last three periods.

Licensing period	No. and date and value of licence	Value (c.i.f.) of goods imported	Description of goods
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10. Actual sales of the manufactured products during the preceding year.
11. Value of exports, if any, of the manufactured products, during the preceding year.
12. Stocks of raw materials/components/spares applied for on the date of the commencement of the period i.e. on 1st April:—
  - (i) Imported.
  - (ii) Alternate sources.
13. Expected arrivals of the goods applied for on the date of the commencement of the period against licences in hand.
14. Period for which stock and expected arrivals are to last.
15. Consumption of the imported material applied for during the 12 months:

Item	Quantity/Number	Value
------	-----------------	-------

- (1) I/We hereby declare that if this licence is granted, the goods will be utilised only for consumption as raw materials/components or accessories in our factory and that no portion thereof will be sold to or permitted to be used by any other party.
- (2) I/We hereby declare that the above statements are true and correct to the best of my/our knowledge and belief. I/We fully understand that any licence granted to me/us on the basis of the statement furnished is liable to cancellation, in addition to any other penalty that the Government may impose or any other action that may be taken, having regard to the circumstances of the case if it is found that any of the statements or facts therein are incorrect or false.

Date:

Signature\_\_\_\_\_

Name in Block Letters\_\_\_\_\_

Designation\_\_\_\_\_

Residential Address\_\_\_\_\_

## PART III

(To be filled in by the sponsoring authority in duplicate).

## 1. Particulars of goods recommended.

Item & ITC Serial No.	Requirements in Quantity/ Number as per installed ca- pacity	Requirements in value (c.i.f.) as per installed capacity	Quantity/ Num- ber recom- mended for import	Value (c.i.f.) recommended for import	End use.
1	2	3	4	5	6

2. (a) whether the applicant is a new or existing unit.  
(b) If new unit, whether the industry is included in the List of banned Industries.
3. (a) whether the items recommended are licensable in consultation with D.G.T.D./D.C. (SSI) or any other technical authority.  
(b) If so, whether the clearance from the concerned technical authority has been obtained. (The No. and date of the reference of the technical authority may be given).
4. \*In the case of items available indigenously whether the applicant has produced evidence to show that indigenous manufacturer(s) are unable to supply.
5. In the case of items which are being imported by S.T.C. whether the S.T.C. have expressed their inability to supply the material (The No. and date of their letter may be quoted).

Signature of sponsoring authority.

\* This column should be filled in only wherever necessary in terms of the import policy in force.

## AMENDMENTS TO APPENDIX 10

1. The entry in column 3 against S. No. 14.  
"West Bengal" may be substituted by the following :—  
"Assistant Director of Health Services, Directorate of Health Services, Mitra Building, 8 Lyons Range, Calcutta."
2. The following may be added after S. No. 18 :—  
"19. Goa, Daman and Diu. Director of Health Services, Panjim."



**AMENDMENTS TO APPENDICES 11 AND 12**

1. Appendix 11 may be substituted by the following:—

**NAMES OF SPONSORING AUTHORITIES**

Industry	Sponsoring authority
(a) Textile Industry, other than jute, hemp and silk and Textile Engineering Industry.	Textile Commissioner, Bombay.
(b) Tea Industry. . . . .	Chairman, Tea Board, Calcutta.
(c) Coffee Industry. . . . .	Chairman, Indian Coffee Board.
(d) Sugar Industry . . . . .	Director (Sugar Technical) Directorate of Sugar and Vanaspati, Ministry of Food and Agriculture, New Delhi.
(e) Rubber Estate . . . . .	Chairman, Indian Rubber Board, Kottayam.
(f) Petroleum Industry . . . . .	Ministry of Petroleum and Chemicals, New Delhi.
(g) Producers of iron and steel and re-rolling mills, excluding re-rolling mill etc., which do not require the permission of Iron and Steel Controller as per Govt. of India former Min. of Steel, Mines and Fuel (Deptt. of Iron and Steel) Notification No.SC(A)-I(28) / 59, dated the 4th June, 1960.	Iron and Steel Controller, Calcutta.
(h) Collieries. . . . .	Coal Controller, Calcutta.
(i) Electricity undertakings. . . . .	Central Water and Power Commission, (Power Wing) Government of India, Bikaner House, Shahjahan Road, New Delhi
(j) Silk Industry. . . . .	Central Silk Board.
(k) Handloom Industry. . . . .	State Directors of Handlooms.
(l) Vanaspati Industry. . . . .	Chief Director, Directorate of Sugar and Vanaspati, Ministry of Food and Agriculture, New Delhi
(m) Coir Industry. . . . .	Chairman, Coir Board, Ernakulam.
(n) Shipping Industry/Shipping Companies. (In respect of sea going vessels). The requirements in respect of inland steam and motor vessels will be certified by the Principal Officer, Mercantile Marine Department of the area concerned.	Director General of Shipping, Bombay.
(o) Fruits and Vegetable preservation Industry including Cold Storages.	Directorate of Marketing and Inspection, Ministry of Food and Agriculture, Department of Agriculture, Nagpur.
(p) Jute and Rope Industry . . . . .	Jute Commissioner, Calcutta.
(q) Mines other than Collieries . . . . .	Director, Indian Bureau of Mines, Nagpur.
(r) Canning, freezing and other fishery industries.	State Director of Fisheries.
(s) Pharmaceutical Industry . . . . .	State Drugs Control authorities (as given in Appendix 10 to this book.)
(t) Salt Industry in the private sector . . . . .	Salt Commissioner, Jaipur.
(u) Narcotic Drugs . . . . .	Narcotic Commissioner.
(v) Industries other than those mentioned above.	Industries Commissioner or the State Director of Industries, as the case may be, of the State where the factory is located.

2. Appendix 12 may be deleted.

**AMENDMENTS TO APPENDIX 15**

*The following amendments have been made to Open General Licence No. IV. (upto 7-7-1965)*

1. After item (i), the following items have been inserted:—

“(ia) free gifts of trade catalogues and circulars upto the value of Rs. 250/-,”

(ib) free gifts of books containing technical know how, literature for construction work, and manuals containing manufacturing processes and scientific data by industrial concerns for their own use upto the value of Rs. 250/-.”

2. For item (iii) and the proviso thereto, the following has been substituted:—

“(iii) any goods included in Schedule I to the Imports (Control) Order, 1955 and which—

(A) are *bona fide* technical and trade samples supplied free of charge, not exceeding Rs. 500/- in *c.i.f.* value in one consignment, or bonafide advertising matter, supplied free of charge not exceeding Rs. 250/- in *c.i.f.* value in one consignment, excepting “vegetable seeds” falling under Sr. No. 36 and “new drugs” as defined in rule 30-A of the Drugs Rules 1945, falling under Sr. Nos. 87 and 109 of Part IV of the Import Trade Control Schedule:

Provided that such samples or advertising matter are not sold by the importer; or

(B) are supplied free of charge in replacement of goods previously imported which have been found to be defective or otherwise unfit for use:

Provided that—

(1) the defect in the goods previously imported is noticed before the clearance of the goods from the Customs House and is brought to the notice of the Customs authorities and it is proved to the satisfaction of the Customs authorities that the goods so found defective or otherwise unfit for use, are actually returned to the manufacturer or consignor or are destroyed or surrendered to or vested in the Government for such action as they may deem fit, within three months from the date of clearance from the Customs House; or

(2) the shipments of such goods are made within six months from the date of clearance of the previously imported goods from the Customs House and the

following documents are produced before the Customs authorities, namely:—

- (a) original letter from the foreign suppliers stating that such goods are being supplied free of cost;
- (b) a survey certificate issued by Lloyds Agents or any other authorised insurance surveyors that the goods were actually received in defective condition and required replacement; and
- (c) evidence to show that the goods found defective or otherwise unfit for use have actually been returned to the manufacturer or consignor or have been destroyed in the presence of the Customs authorities or surrendered to or vested in the Government for such action as they deem fit:

Provided further that where there is a guarantee period for the previously imported goods, being machines, and such guarantee period is more than six months, shipments of the goods, being machines or parts thereof, in replacement of the goods previously imported are made within the guarantee period and the following documents are produced before the Customs authorities, namely:—

- (a) original letter from the foreign suppliers stating that such goods are supplied free of cost;
- (b) a certificate from a qualified engineer to the effect that the machine or part thereof is considered unfit to be used for the purpose for which it is intended;
- (c) evidence showing the date of previous importation of the machinery and the period of guarantee given by the foreign manufacturer or supplier;
- (d) evidence to show that the machine or part thereof, found defective or otherwise unfit for use, has actually been returned to the manufacturer or consignor or surrendered to or vested in the Government for such action as they may deem fit."

**APPENDIX 21**

*Register for maintenance of consumption and stocks by actual users.*

Sr. No.	Date	Description of items	Receipts (Stock)				Issue (Consumption)				Remarks
			Opening balance	Qty. of fresh stock received	Name of Supplier	Import Licence No. & date against which stock is imported	Date	Qty.	End Product in which used (Batch No. to be shown in the case of Pharmaceutical Units).	Closing Balance	

P. SABANAYAGAM,  
Chief Controller of Imports and Exports.